

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

IN RE: . Case No. 21-30085-HDH-11  
NATIONAL RIFLE .  
ASSOCIATION OF AMERICA . Earle Cabell Federal Building  
and SEA GIRT, LLC, . 1100 Commerce Street  
Dallas, TX 75242  
Debtors. . April 16, 2021  
1:16 p.m.  
P.M. SESSION

TRANSCRIPT OF TRIAL  
BEFORE HONORABLE HARLIN DeWAYNE HALE  
UNITED STATES BANKRUPTCY COURT CHIEF JUDGE

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1 THE COURT: Everybody ready to go back on the record?

2 MR. GARMAN: Yes, Your Honor.

3 THE COURT: I think the case which is --

4 MS. CONNELL: Your Honor?

5 THE COURT: Yes.

6 MS. CONNELL: I'm sorry to interrupt. This is Monica  
7 Connell from the New York State Attorney General's Office.

8 THE COURT: Yes.

9 MS. CONNELL: If I just may take a moment of the  
10 Court's time. Over lunch, we reconnoitered and we're seeing  
11 how long the questioning is taking. And so what we would like  
12 to do is although I did send Mr. Garman and the parties our  
13 pared down list of deposition designations, I would like to  
14 pare it even further and this afternoon limit it solely to the  
15 deposition designations relating to Mr. Phillips, which again  
16 we sent the highlighted transcript, a chart with the  
17 designation and objections and responses I think on Wednesday.

18 And we have a snippet ready to play for the judge --  
19 play for the Court so the Court can see Mr. Phillips and get a  
20 sense of him. And then we would just read a few minutes from  
21 Ms. Stanford, Gail Stanford's deposition. That's to lay a  
22 foundation for certain exhibits which are the subject of our  
23 motion that will be heard on Friday. I'm going to email the  
24 parties with that even smaller subset. I expect that to just  
25 be a few minutes and, again, that's just on the foundation

1 issue.

2 And I hope in that way we efficiently use the Court's  
3 time and the NYAG can rest her case today pending resolution of  
4 that one motion.

5 THE COURT: Okay, thank you.

6 MR. GARMAN: Your Honor, my only concern is Ms.  
7 Stanford has already testified. We closed the testimony of Ms.  
8 Stanford out.

9 MS. CONNELL: Your Honor, we did also designate a  
10 large portion of Ms. Stanford's testimony, and when we played a  
11 subset of her video, that was with the reservation of our  
12 designation. We have full thorough designation of Ms.  
13 Stanford. We don't think it's a good use of the Court's time  
14 to go through all that including re-reading portions of  
15 testimony the Court heard.

16 We feel what you have seen already and has been  
17 entered into evidence is sufficient but because there is that  
18 foundation issue with relation to the exhibits the debtors  
19 object to. We would just like to read into the record that one  
20 small portion of the foundation in evidence.

21 THE COURT: Okay. Rather than just --

22 MR. GARMAN: Your Honor?

23 THE COURT: Go ahead.

24 MR. GARMAN: I'm sorry.

25 THE COURT: Go ahead, Mr. Garman.

1 MR. GARMAN: Your Honor, I feel like I'm coming off  
2 as obstructionist today, but --

3 THE COURT: You're not, Mr. Garman. You're not.

4 MR. GARMAN: You've now ruled twice --

5 THE COURT: You're not coming off as --

6 MR. GARMAN: You've now ruled twice -- thank you.  
7 You've now ruled twice that certain evidence is not admissible.  
8 And I do strenuously object to continuing to permit the movants  
9 to take additional bites at the apple. And they just told you  
10 that they're seeking to recall Ms. Stanford's testimony for the  
11 purpose of admitting evidence this Court has previously ruled  
12 was inadmissible.

13 And so I guess we'll take it up at that time. But I  
14 just want to let the parties know that I do strenuously object  
15 to the continued bites at the apple.

16 THE COURT: I think it's fine. As I recall, and I'm  
17 only going from memory, I ruled that they didn't prove up the  
18 predicate for the business-records exception. But we'll take  
19 that up when it's offered, for sure.

20 And by the way, Mr. Garman, you're going to have to  
21 do a lot for me to think you're an obstructionist, okay.  
22 You're not --

23 MR. GARMAN: Thank you, sir.

24 THE COURT: You are not there yet.

25 MS. CONNELL: Thank you.

Makris - Cross/Garman

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1 THE COURT: All right. Now I think we are into Mr.  
2 Garman's cross of the witness now.

3 MR. GARMAN: Yes, sir.

4 ANTHONY MAKRIS, DEBTORS' WITNESS, PREVIOUSLY SWORN

5 CROSS-EXAMINATION

6 BY MR. GARMAN:

7 Q Mr. Makris, good afternoon. My name's Greg Garman,  
8 although I assume you have figured out I represent the National  
9 Rifle Association.

10 A Good afternoon.

11 Q Good afternoon, sir. For the avoidance of doubt, you  
12 haven't sat through any of the previous testimony of the  
13 witnesses in this trial?

14 A I have not.

15 Q And over my objection, you've testified that Mr. LaPierre  
16 felt you were as closed to him as a brother; is that right?

17 A He referred to me as a brother in front of other people,  
18 so I would assume, yes, sir.

19 Q And do you feel the same way about -- did you feel the  
20 same way at that time of Mr. LaPierre?

21 A We had a close friendship, and we've been through a lot  
22 together. Yes, sir.

23 Q Sir, that wasn't a response to my question. I'd ask you  
24 to respond to my questions. Did you feel that you were as  
25 close to him as a brother?



Makris - Cross/Garman

9

1 A Yes, sir.

2 Q And was Mr. LaPierre among your closest friends for a  
3 period in your life?

4 A I wouldn't say that. I have a number of very close  
5 friends that I've been through quite a bit with.

6 Q Okay. Do you think Mr. LaPierre perceived you to be among  
7 his closest friends?

8 A That would require speculation.

9 Q Do you have an opinion on that matter?

10 A Mr. Garman, I can only judge by what he did, and that was  
11 that he frequently sought my advice on very serious matters,  
12 both business and personal.

13 Q Is that evidence to you that he trusted your judgment?

14 A He did. Yes, sir.

15 Q And you testified near the end of your statements earlier  
16 today that the NRA staff would bring issues to you for your  
17 input on, right?

18 A Occasionally, yes, sir.

19 Q And do you have an understanding that's because Mr.  
20 LaPierre and the NRA staff also trusted your judgment?

21 A Again, that's a presumption, but they -- they did bring  
22 things to me. So you would -- you could draw that. I think it  
23 also --

24 Q And you would --

25 A -- it also is because I spent a lot of time with Mr.

Makris - Cross/Garman

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1 LaPierre and they didn't.

2 Q And you would in fact provide input and make decisions for  
3 the Association from time to time with staff, right?

4 A No, sir.

5 Q Well, what is it that the NRA staff would bring to you for  
6 your input on?

7 A I would provide information and advice. I didn't make  
8 decisions. You put that word in my mouth. I didn't make  
9 decisions ever. I would make recommendations. Sometimes they  
10 were followed; sometimes they weren't.

11 Q Okay. I just realized for everyone that I didn't have my  
12 microphone on, so I apologize about that. And it should have  
13 just gotten a little bit better.

14 A It did. Much more attractive, Mr. Garman.

15 Q Thank you, sir.

16 In the work that you personally, Under Wild Skies and  
17 Ackerman McQueen, did for the NRA, it paid handsomely; didn't  
18 it?

19 A It paid well. Yes, sir.

20 Q Would you agree with me that Ackerman McQueen, the Mercury  
21 Group, and Under Wild Skies collectively over the duration of  
22 this relationship were paid in excess of a half a billion  
23 dollars?

24 MR. MASON: Objection; foundation.

25 THE COURT: Overruled. You may answer the question,

Makris - Cross/Garman

11

1 sir, if you know the answer.

2 THE WITNESS: No way to -- no way to answer that  
3 question.

4 BY MR. GARMAN:

5 Q Do you have any idea how much Ackerman McQueen was paid  
6 over the course of 39 years?

7 A Of 38 or 39 years, I have no idea.

8 Q Well, would you agree with me that in 2017, Ackerman was  
9 -- Ackerman McQueen was paid \$40 million?

10 A I would not.

11 Q What's your role with Ackerman McQueen?

12 A I am the president of Mercury Group, which is a wholly-  
13 owned subsidiary of Ackerman McQueen.

14 Q Okay. And in that position, do you have any knowledge of  
15 the finances or the payment by Ackerman McQueen clients?

16 A I generally have an involvement in the setting of budgets  
17 in the previous fourth quarter of a given year. But those  
18 budgets tend to fall by the wayside if there's a political  
19 fight or if something happens that necessitates spending  
20 additional money. I am not privy nor do I know about bills  
21 collected or monies paid. I generally know what a budget is  
22 from one year to the next, and I have never seen anything that  
23 -- that supported \$17 million in 2017 -- or \$40 million in  
24 2017.

25 Q What was the budget in 2017?

Makris - Cross/Garman

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1 A I don't remember.

2 Q And do you agree with me that it exceeded \$20 million?

3 MR. MASON: Objection; foundation.

4 THE COURT: Overruled.

5 MR. MASON: He just testified he didn't know.

6 THE WITNESS: Yeah. I -- I don't and I don't know  
7 the exact number because I know we -- I mean you're talking to  
8 me about reciting something that we sat down and worked out in  
9 2016.

10 BY MR. GARMAN:

11 Q Was the NRA the Mercury Group's largest client?

12 A By that time, yes, sir.

13 Q Okay. And what percentage of the Mercury Group's revenue  
14 did the NRA represent?

15 A No idea.

16 Q Do you know how much revenue the Mercury Group derived in  
17 2017 from the National Rifle Association?

18 A I do not.

19 Q Do you have an estimate?

20 A I do not. I mean all these are available on records and  
21 on paper, but it's not something I have in my head.

22 Q Sir, I'd ask you to stick to my questions. I'm entitled  
23 to ask for your best understanding. How do you know the  
24 National Rifle Association was the Mercury Group's largest  
25 client?

Makris - Cross/Garman

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1 A Because I did -- as the -- as the president of Mercury  
2 Group, I was -- I had a managing director who ran the day-to-  
3 day operations and the -- and the day-to-day business. And I  
4 know basically what we were working on. And by that time, it  
5 was almost exclusively National Rifle Association.

6 Q Okay. Do you have an understanding of what the Mercury  
7 Group's gross revenue was in 2017?

8 A I don't. I've just never seen anything that supported a  
9 \$40-million number.

10 Q I understand. That wasn't my question, sir.

11 A I don't.

12 Q What's your role with the Mercury Group?

13 A President of Mercury Group.

14 Q In your capacity as president of the Mercury Group, you  
15 have no understanding of the billings that were given to the --  
16 that were made to the National Rifle Association in 2017?

17 A I've already answered that question.

18 Q Sir, please answer my questions.

19 A I know what happens in a general budget cycle, but I don't  
20 know what billings might happen after that that I didn't even  
21 -- I didn't know about. Mr. LaPierre and Mr. Phillips would  
22 frequently call and commit to another expenditure that I may or  
23 may not have been a part of.

24 MR. GARMAN: Your Honor, I'd move to strike that  
25 answer.

Makris - Cross/Garman

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1 THE COURT: Sustained.

2 BY MR. GARMAN:

3 Q Sir, my question is in your capacity as president of the  
4 Mercury Group, do you have any understanding as to how much the  
5 entity's revenue was in 2017?

6 A I do not.

7 Q There came a time when the National Rifle Association lost  
8 confidence in the Mercury Group and Ackerman McQueen, right?

9 A I have no way of verifying that, sir.

10 Q Well, do you believe that today that the National Rifle  
11 Association has confidence in Ackerman McQueen and the Mercury  
12 Group?

13 A Well, they clearly do not.

14 Q And you did testify earlier that at one point in time your  
15 judgment was trusted by the National Rifle Association, right?

16 A Correct.

17 Q Okay. Would you agree with me that that confidence was  
18 lost in the summer of 2018?

19 A I wouldn't because -- I testified to a meeting in -- in  
20 late 2018 and early '19 where Wayne LaPierre begged us to stay  
21 with him and stick with him.

22 Q Sir, I didn't ask you about that meeting. I'd ask you to  
23 stick to --

24 A No, the answer --

25 Q -- answering the question I ask you.

Makris - Cross/Garman

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1 A No, sir. I would not agree.

2 Q Are you aware of a number of individuals who have been  
3 colloquially referred to as "whistleblowers" at the National  
4 Rifle Association?

5 A I've heard the term.

6 Q Well, what do you know about the whistleblowers?

7 A I know that there were more than maybe two, three -- I  
8 don't know the exact number in the Treasurer's Office -- that  
9 call themselves whistleblowers and that -- that they had  
10 alleged in the media that -- that the NRA counsel Bill Brewer  
11 kept burn books on them and -- and information on them. And I  
12 knew that there was some sort of fight going on, but I wasn't  
13 involved in it.

14 Q Would you agree with me that the whistleblowers' primary  
15 concern was the control overrides by outside vendors like  
16 Ackerman McQueen? Have you heard that?

17 A I don't understand your term "control overrides."

18 Q Well, it was their term. I'm simply asking you whether  
19 you understood that was a concern raised by the whistlers.

20 A I do not understand that question.

21 Q Okay. Have you ever heard that the whistleblowers  
22 expressed concern over control overrides exerted by Ackerman  
23 McQueen?

24 A They -- they were concerned about control overrides, but I  
25 would dispute that they were exerted by Ackerman McQueen.

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1 MR. GARMAN: Your Honor, I'd move to strike that  
2 answer again.

3 THE COURT: I think he's trying to answer the  
4 question. Overruled.

5 BY MR. GARMAN:

6 Q Okay. Sir, I'm asking you whether you heard that the  
7 whistleblowers were concerned about control overrides  
8 specifically at Ackerman McQueen.

9 A They were concerned about budget overrides, but it wasn't  
10 that Ackerman McQueen did the overrides. Ackerman McQueen  
11 didn't expend any money whatsoever that wasn't directed by  
12 Wayne LaPierre or Woody Phillips personally.

13 Q Sir, I'm not asking you whether you engaged in control  
14 overrides. I'm asking you the very simple question of whether  
15 you heard that the whistleblowers were concerned about control  
16 overrides by Ackerman McQueen?

17 A From what I read in the media, yes, sir.

18 Q And you only read concerns raised by the whistleblowers in  
19 the media? That's your only source of knowledge?

20 A That's correct.

21 Q Okay. Sir, you have the exhibits in front of you -- I'm  
22 sorry, the exhibits on I think a computer.

23 A I do.

24 Q Do you have the paper copies, sir?

25 A No, I've got them on a computer. And I'll try my best to



Makris - Cross/Garman

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1 look for what you want me to look for.

2 Q This is difficult. I will give you that. I've struggled  
3 with this process. But I would ask you to turn to NRA Exhibit  
4 322.

5 A I've actually lost a complete screen, so I may have to get  
6 somebody to help me. It's now -- I've just got a space-saving  
7 screen. When I click to try to close the -- the New York AG  
8 deal, it went away. So I'm going to have to get somebody to  
9 help me.

10 I'm sorry, Mr. Garman. And advertising agencies are  
11 generally Mac and not PC companies. I've never used a PC.

12 Q I actually suffer from the same problem. But why don't we  
13 --

14 A And the lights --

15 Q -- take a second and let somebody help you.

16 A She's coming in, but the lights went out, too. So I  
17 didn't know -- I didn't know what kind of power you were  
18 exercising over me, but it was impressive. The lights went  
19 out, and I lost my screen. So I click on that little guy right  
20 there, that little folder. Boom boom.

21 Okay. And you want an NRA exhibits.

22 Q Yes, sir. NRA Exhibit 322 will be the first one I ask you  
23 about.

24 A I'm back up and running. Stand by. I'm trying to find  
25 the numbers on it. Oh, I got it. Got it, got it. It's going

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1 to take a bit scrolling with this little thing, my friend, so  
2 just hold on. 322.

3 (Pause)

4 THE WITNESS: All right. I've got a thing that says  
5 322, and it's blank. I have no idea why. Let me go back and  
6 click on this again.

7 BY MR. GARMAN:

8 Q If need be, I can just put them on the screen.

9 A Hold on one more -- I'll try one more try just -- I'm  
10 clicking on the NRA 322. And when I do, I don't know if I'm  
11 supposed to scroll -- oh, you know, I do. It has several blank  
12 pages in the front of it, sorry.

13 All right, sir. I'm on it.

14 Q Mr. Makris, do you -- just so I know we're looking at the  
15 same thing, do you see a letter on National Rifle Association  
16 of America letterhead with a letter dated August 8th, 2018 to  
17 Bill Winkler?

18 A I do.

19 Q Great. And this is a letter that was sent by the National  
20 Rifle Association in August of 2018 to all of its vendors  
21 seeking to strengthen its internal controls. Do you recall  
22 seeing this letter as a representative of either Ackerman  
23 McQueen or the Mercury Group?

24 A I do at the time remember getting this letter.

25 Q Okay. And in your own words, what did you understand this

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1 letter to be requesting?

2 A That -- that the procedure for submitting bills and  
3 expenses had been changed and -- and we set about accordingly  
4 adjusting to that change.

5 Q Okay.

6 MR. GARMAN: Your Honor, to the extent it already  
7 hasn't been admitted, I would seek to admit NRA 322.

8 THE COURT: For some reason, I think it's in but to  
9 the extent it's not in, re-admit it now.

10 MR. GARMAN: I apologize, Your Honor. I'm really bad  
11 today at what exhibits have been in and out.

12 THE COURT: It's okay. It's okay.

13 (NRA Exhibit Number 322 admitted into evidence)

14 BY MR. GARMAN:

15 Q Mr. Makris, could you turn next to NRA Exhibit 323?

16 A Stand by.

17 THE COURT: And that one's in, Mr. Garman.

18 MR. GARMAN: Thank you.

19 I'm sorry, Your Honor. Did you mean 322 was in or  
20 323 was in?

21 THE COURT: 322 had already been admitted, but I re-  
22 admitted it. And 323 is already in.

23 MR. GARMAN: Yeah, thank you.

24 THE COURT: You're welcome.

25 BY MR. GARMAN:

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1 Q Mr. Makris, let me know when you find that --

2 A I've got it up, and I've read it.

3 Q Okay. Mr. Makris, this is a letter of the same day that  
4 was sent to Ackerman McQueen. Do you recall seeing this  
5 letter?

6 A I may not have seen this once because I don't have the  
7 access to these files and documents.

8 Q Okay. Why would you have seen 322 and not 323?

9 A Because it had to do with submitting expenses, and it had  
10 to do with submitting invoices. And -- and my --

11 Q And --

12 A -- I did submit expenses that we've talked about.

13 Q Okay. And in your role with Ackerman McQueen and its  
14 wholly-owned subsidiary, the Mercury Group, do you not have  
15 responsibility for the files, books, and records of expenses  
16 for the organization?

17 A I do not, sir. I'm president of a wholly-owned subsidiary  
18 that has a CFO and a -- and a -- and a parent company that owns  
19 and manages a subsidiary. So --

20 Q Okay.

21 A -- I'm the -- I'm the program face. I'm the interface  
22 with clients but not the financial.

23 Q But, sir, you told us a few minutes ago that you in fact  
24 submit expenses to Ackerman McQueen to have them reimbursed by  
25 the National Rifle Association?

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1 A Happy to explain, Mr. Garman. I fill out an expense  
2 report with receipts, persons, places, times, and business  
3 purpose and submit it through my parent company Ackerman  
4 McQueen to their financial office. And they vet it and make  
5 sure that it's in proper form and submit it to the NRA to be  
6 reimbursed.

7 Q Okay. So after you submit that expense form, you don't  
8 keep a copy and you no longer have those records; is that  
9 accurate?

10 A There's a copy -- there's a copy in Oklahoma City, and  
11 that's where the copy's retained.

12 Q Okay. Well, did anyone tell you that on August 8th, the  
13 National Rifle Association made a decision to examine the  
14 files, books, and records of Ackerman McQueen pursuant to the  
15 contract it had?

16 A Yes.

17 Q Okay. And who told you that?

18 A It would have been Angus McQueen.

19 Q And would Angus McQueen have told you that on or about  
20 August 8th of 2018?

21 A Yes.

22 Q Are you aware that Ackerman McQueen chose not to respond  
23 and permit access to those books and records?

24 MR. MASON: Objection; assumes facts not in evidence  
25 and foundation.

Makris - Cross/Garman

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1 THE COURT: Overruled. You may answer the question,  
2 sir.

3 THE WITNESS: We have never refused an examination of  
4 records or files. There was some back-and-forth between Josh  
5 Powell and myself and others because they intended to copy and  
6 take files out of our possession. And that was specifically  
7 prohibited by our -- by our employment agreement.

8 BY MR. GARMAN:

9 Q All right. Well, then I'm going to turn you to NRA  
10 Exhibit 582. Can you pull that up, sir?

11 A I will do my best. Hold on. I'm three for three so far.  
12 582. You have a lot of exhibits, Mr. Garman.

13 (Pause)

14 BY MR. GARMAN:

15 Q Sir, if you're waiting for me, please let me know.

16 A No, I'm -- I'm reading it.

17 Q Okay.

18 A But I'm guessing you're going to ask me a question.

19 Q I am, sir.

20 A That's the basis of our relationship, I do believe.

21 Q Today it is.

22 (Pause)

23 THE WITNESS: All right, sir.

24 BY MR. GARMAN:

25 Q Well, before I ask about this letter, you would agree with

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23

1 me that under the contractual relationship between the National  
2 Rifle Association and Ackerman McQueen, the NRA had inspection  
3 rights to inspect the books and records of Ackerman McQueen,  
4 right?

5 A They had and had exerted that for 38 years.

6 Q Okay. So this letter is what, 14 days after the two  
7 letters we just talked about in NRA 322 and 323?

8 A I believe that math is correct. Yes, sir.

9 Q Okay. Why is it that instead of turning over the records  
10 we requested Ackerman McQueen hired a law firm?

11 A I don't know the answer to hiring the law firm. But the  
12 turning over the records had been a mutually-agreed prohibited  
13 action for 38 years.

14 Q But will you agree with me that Ackerman McQueen hired the  
15 law firm of McDermott Will & Emery to respond to our documents  
16 requests?

17 A That's what would appear here, but I -- I didn't -- I  
18 wasn't part of that decision to hire them, nor did I know until  
19 after the fact that they were hired.

20 Q Okay. But as you sit here today, you do know that  
21 McDermott Will & Emery was hired to respond to our document  
22 requests, right?

23 A That's what this letter would tell me. Yes, sir.

24 Q Well, you've seen this letter before today, right?

25 A You know, I might have. I've seen literally, you know,

Makris - Cross/Garman

24

1 reams of documents in the last three years. So it's not  
2 something that I -- that I right away went, oh yes, I'm  
3 familiar with.

4 Q Okay. As you sit here today, do you have any  
5 understanding as to why instead of producing documents of the  
6 National Rifle Association, Ackerman McQueen hired a law firm?

7 A Well, again I take issue with we wouldn't produce. The  
8 question was carrying away from the premises. And the -- the  
9 things that I -- I never spoke to Mr. Brewer about this. But  
10 the things that Mr. Powell and others said were absolutely  
11 burdensome and -- and unbelievable. They wanted all the raw  
12 footage that had been shot for all (indiscernible) ever. That  
13 would have taken -- that would have taken years. There's not  
14 enough duplication equipment in Dallas to do that.

15 So they were -- they were requests that were just sort of  
16 strange on the face. And, again, it was the first time that  
17 anybody had ever said that they were going to duplicate and  
18 carry things out of the room --

19 Q Sir? Sir, where --

20 A -- (indiscernible).

21 Q Sir, where in Exhibit 322 or 323 does it say anything like  
22 that?

23 A I don't know where it says it in the exhibits. I know  
24 what was -- was -- what they were saying when they were on the  
25 premises because I would get calls and saying they want to copy



Makris - Cross/Garman

25

1 this and carry it out of the room. I said that -- that's  
2 prohibited.

3 Q All right. Let's get a little more specific here. Are  
4 you suggesting that between August 8th when demand was made by  
5 the National Rifle Association and August 22nd when Exhibit 582  
6 was sent, that NRA individuals were on the ground in Oklahoma  
7 reviewing the books and records of Ackerman McQueen. It's that  
8 what you're suggesting?

9 A I'm not suggesting anything because you're talking --  
10 something that I wasn't a part of. I know that I was told  
11 later that we were audited three to four times in that period  
12 by numerous entities.

13 Q And that period being the days after August 8th of 2018?

14 A I can't be that specific, Mr. Garman. I told you it's  
15 information I don't have.

16 Q All right. So I just want to be clear. As we sit here  
17 today, you are not suggesting that Ackerman McQueen permitted  
18 National Rifle Association employees or agents to come inspect  
19 the books and records in the days or weeks following August 8th  
20 of 2018, are you?

21 A I am suggesting specifically that. We --

22 Q Sir, please answer my question.

23 A I said --

24 MR. MASON: He's answered -- Your Honor, he is  
25 answering --

Makris - Cross/Garman

26

1 THE WITNESS: The answer is no.

2 MR. MASON: -- the question.

3 THE WITNESS: I'm trying -- I'm trying to answer.

4 No, we did not prohibit them.

5 BY MR. GARMAN:

6 Q Okay. Sir, it's a very specific question. As you sit  
7 here today, are you telling the Court that in the days and  
8 weeks after August 8th, 2018, Ackerman McQueen permitted  
9 individuals from or on behalf of the National Rifle Association  
10 to come on the premises of Ackerman McQueen and review the  
11 books and records? It's yes or no.

12 A Yes. To the best of my knowledge, yes.

13 Q Okay. What day did that occur?

14 A I don't have the answer. There are people that can  
15 provide that answer.

16 Q Okay. How do you know it was all -- it was in the days  
17 following August 8th then?

18 A Mr. Garman, I know what was going on at the time and I  
19 know of the -- of the -- of the charges and the -- and the  
20 responses that were going on at the time.

21 Q Sure.

22 A And it was made clear --

23 MR. MASON: Your Honor? Can the witness please  
24 answer the question that was asked?

25 THE COURT: Yeah, let him finish his answer.

Makris - Cross/Garman

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1 THE WITNESS: Mr. Garman, I'm going to ask you to put  
2 your microphone back down in a minute. The answer was they --  
3 the issue was over carrying documents away. They had always  
4 been able to come look at documents at any time and had done it  
5 for 38 years. And they in that period of time all the way up  
6 until the agreement -- the -- the relationship was separated  
7 made multiple reviews of the documents including in one  
8 instance five lawyers from the Brewer firm and then forensic  
9 accountants, whatever the name of that company is.

10 Then Steve Hart came out as general counsel for the board  
11 and examined them. And then -- and then Chuck Cooper came out  
12 with a couple of associates and -- and examined them. So they  
13 -- my point is they were examined repeatedly.

14 Now if it was between the 8th and the 12th or the 14th and  
15 the -- I don't know.

16 BY MR. GARMAN:

17 Q Okay. What day did those examinations you just identified  
18 occur?

19 A That can be provided for you. I don't have it.

20 Q Sir, I'm asking you for your knowledge as you sit here  
21 today what day did those examinations occur?

22 A I can't tell you that. I don't know.

23 Q Okay. All right. Let's turn then to NRA 582. Do you  
24 have that, sir?

25 A I got it.

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1 Q Can you turn to page 2 and can you turn to paragraph 3 of  
2 page 2? And can you read out loud for us the first three  
3 sentences?

4 A Paragraph 3, page 2?

5 Q Yes, sir.

6 A Beginning:

7 "In the near future NRA Ackerman documentation may be  
8 subject to new congressional, state, attorney-  
9 general, or third-party plaintiff lawyer litigation  
10 subpoenas. Therefore, NRA may wish to proceed with  
11 caution in creating paper trails in the New York  
12 State" --

13 I guess I don't know what DOR is --

14 "or other state DORs when they pour over and publish  
15 political reasons. On November, the political  
16 climate could be very different than today if the  
17 U.S. House of Representatives are less likely the  
18 Senate changes hands creating excessive contractual  
19 documentation transmitted to NRA on a regular basis  
20 may not serve NRA's management needs as the  
21 aforementioned third parties" -- how much do you want  
22 me to read, sir?

23 Q Until the end of that sentence.

24 A Well, stand by. Something just popped up here. Don't go  
25 away.

Makris - Cross/Garman

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1 "Senate changes hands creating excessive contractual  
2 documentation transmitted to the NRA on a regular  
3 basis may not serve NRA's management needs as the  
4 aforementioned third parties will be all too happy to  
5 have access to detailed billing information. Any  
6 documentation that exceeds NRA's needs for contract  
7 management creates additional concerns for NRA legal  
8 management."

9 Q Sir, you would agree with me that instead of responding  
10 with the documents that were asked for, lawyers for Ackerman  
11 McQueen said you don't want to create paper trail, it could be  
12 dangerous for us to produce documents to you? Isn't that what  
13 that says?

14 A No, sir. It's not.

15 Q It's not a suggestion that the production of documents  
16 could result in governmental inquiry?

17 A On the contrary. It's a suggestion that losing control of  
18 documents in the public domain could be damaging to a  
19 politically-sensitive organization which is why they weren't  
20 protected all along.

21 Q How would the --

22 A That's why they weren't (indiscernible).

23 Q How would the production of documents from vendor Ackerman  
24 McQueen to its client, the National Rifle Association, result  
25 in those documents being placed in the public record?

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1 A Well, in fact, they have after this in "The New York Times  
2 and the Wall Street Journal. I mean they have. So my point is  
3 --

4 Q And --

5 MR. MASON: Your Honor, can the witness please finish  
6 his answer?

7 MR. GARMAN: I apologize.

8 THE COURT: Finish your answer.

9 THE WITNESS: I know you're an enthusiastic young man  
10 and you'll probably be very successful, but I'm -- I'm trying  
11 to answer your question.

12 THE COURT: Mr. Makris, keep those kind of comments  
13 to yourself and just answer the question, all right?

14 THE WITNESS: Yes, sir. I'm sorry. I'm sorry,  
15 Judge. Your Honor, I'm sorry.

16 The point was the NRA had a number of political  
17 adversaries, powerful media adversaries and others. And -- and  
18 a general airing of their billing processes and -- and way of  
19 doing business opens them to vulnerabilities that -- that, you  
20 know, their enemies could -- could prosecute. We're in a  
21 cancel culture. We're in a culture where things -- facts don't  
22 matter. People attack you on perceptions.

23 So we have always been protective of losing control  
24 of sensitive proprietary documents.

25 BY MR. GARMAN:

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1 Q And that's Ackerman McQueen who's sensitive of losing  
2 control of these proprietary documents, right?

3 A We were charged with holding them for the National Rifle  
4 Association contractually for 38 years.

5 Q Sir --

6 MR. GARMAN: I move to strike, Your Honor.  
7 Respectfully, that didn't answer my question at all.

8 THE COURT: Sustained.

9 BY MR. GARMAN:

10 Q Sir, please answer my question.

11 A We were charged with protecting them, yes, contractually.

12 Q My question, sir, was it was Ackerman McQueen who sought  
13 to protect these documents, not the National Rifle Association,  
14 correct?

15 A No, sir. It's not correct. I was instructed by Mr.  
16 LaPierre on more than one occasion to not let those documents  
17 out of our control.

18 Q I'm going to move on. Notwithstanding the letter from  
19 your lawyers, the National Rifle Association continued to ask  
20 for the production of its books and records, right?

21 A I have to qualify that answer. The National Rifle  
22 Association and what entity? What person?

23 Q I don't know what that means.

24 A Well, Wayne LaPierre didn't ask for them. Woody Phillips  
25 didn't ask for them. You know they --

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1 Q Are you suggesting that the only people who can ask  
2 National Rifle Association for documents are Woody Phillips and  
3 Wayne LaPierre?

4 A By their contract, yes.

5 Q Okay. Then I'm going to ask you to turn to NRA Exhibit  
6 580.

7 MR. GARMAN: Your Honor, to the extent that 582  
8 hasn't been admitted, I'd move to admit it.

9 MR. MASON: No objection.

10 THE COURT: NRA 580 is in. Excuse me, that was 582 I  
11 think you offered; is that right? Mr. Garman?

12 MR. GARMAN: Yes, sir. 582.

13 THE COURT: I'm sorry.

14 MR. GARMAN: 582, Your Honor.

15 THE COURT: NRA 582 is in. Sorry.

16 (NRA Exhibit 582 admitted into evidence)

17 MR. MASON: And what's the document we're looking at  
18 now, Mr. Garman?

19 MR. GARMAN: 580.

20 MR. MASON: Thank you.

21 BY MR. GARMAN:

22 Q Sir, let me know when you have the document pulled up.

23 A Put in front of me. I'm reading it.

24 MR. GARMAN: I'd move to admit 580.

25 MR. MASON: No objection.



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1 THE COURT: NRA 580 is in.

2 (NRA Exhibit 580 admitted into evidence)

3 THE WITNESS: All right, sir.

4 BY MR. GARMAN:

5 Q Your last answer I believe was that neither Mr. LaPierre  
6 nor Mr. Phillips made subsequent requests for documents; isn't  
7 that right?

8 MR. MASON: I don't believe -- Your Honor, I would  
9 object; misstates his testimony.

10 THE COURT: Why don't you just restate your question,  
11 Mr. Garman.

12 BY MR. GARMAN:

13 Q Did Mr. Phillips or Mr. LaPierre make requests for books  
14 and records to be produced after the McDermott Will & Emery  
15 letter of August 22, 2018?

16 A Again, I'm -- I'm having a semantics problem. Produced?  
17 They were -- they were available in our offices for review  
18 repeatedly. Produced implies copied and shipped, and they were  
19 not produced in that form. They were produced for examination.

20 Q Sir, my question was whether they asked to look at the  
21 books and records after the McDermott Will & Emery letter? Did  
22 they make that request?

23 A Yes.

24 Q Okay. And one of those requests is this Exhibit 580 which  
25 is only one week after the McDermott Will & Emery letter,

1 correct?

2 A Correct.

3 Q And this is a letter by Mr. Phillips making a subsequent  
4 inquiry, correct?

5 A Correct.

6 Q Okay. And if you look at page 2, section 4, it says,  
7 "Three weeks have elapsed since Woody's initial letter  
8 requesting inspection of Ackerman's documents. Moreover, as  
9 you acknowledge, the NRA's counsel made previous similar  
10 requests over the course of several months. Accordingly, we  
11 hope that inspection can be conducted expeditiously."

12 Do you see that language?

13 A I do.

14 Q And did Ackerman McQueen permit the inspection of those  
15 documents in an expeditious fashion?

16 A And I have the same answer, Mr. Garman. They -- they  
17 provided those documents for inspection repeatedly for at least  
18 three or four different instances for a total of 28 days. And  
19 there was one of these letters, and I'm not sure if it was this  
20 one when they asked Mr. Phillips about it, Mr. Brewer and Mr.  
21 Powell had gone to the Treasurer's Office and got the auto pen  
22 and they were signing letters that Woody Phillips hadn't seen.

23 So I don't know if this is one of those. But when we said  
24 you can come look at them at any time, that seemed to have  
25 satisfied them at the time. And then we would get another

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1 letter saying produce documents. I think the breakdown was on  
2 what does "produce" mean. If you want to examine them, you can  
3 examine them at any time.

4 MR. GARMAN: Your Honor, I move to strike the answer  
5 as non-responsive.

6 THE COURT: The first part was responsive, but the  
7 last certainly was not. So I grant your motion in part.

8 BY MR. GARMAN:

9 Q So, sir, on what day following this August 29, 2018 letter  
10 was inspection permitted of Ackerman McQueen's documents?

11 A Again, I do not know what day.

12 Q You would agree with me that the deteriorating  
13 relationship between the National Rifle Association, Ackerman  
14 McQueen, and the Mercury Group jeopardized the financial  
15 relationship that the parties had, right?

16 A I think if they no longer wanted to work with you, that  
17 would jeopardize the -- yes. I would -- yeah.

18 Q Okay. And you've already testified that this was Ackerman  
19 McQueen and the Mercury Group's biggest client, right?

20 A Correct.

21 Q And so the loss of control in this process of document  
22 review was posing a danger to Ackerman McQueen and the Mercury  
23 Group in August of that year, correct?

24 A Yes, sir.

25 Q And you were trying to --

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1 A That's correct.

2 Q -- regain -- I'm sorry. You were trying to regain control  
3 of this relationship with the National Rifle Association and  
4 Mr. LaPierre, correct?

5 A No, sir. We did our job exactly the way we always did it.

6 MR. GARMAN: Teresa, can you put -- or Dylan, can you  
7 share the October 9th email on the screen?

8 Can you go to the top? Scroll down about halfway to  
9 where it begins with Steve Hart.

10 MR. MASON: Your Honor, can I just ask what exhibit  
11 we're looking at? What --

12 MR. GARMAN: This is not an exhibit. I'm moving --  
13 I'm seeking to impeach Mr. Makris. And I wanted to refresh his  
14 recollection.

15 BY MR. GARMAN:

16 Q So, Mr. Makris, do you see this email from Steve Hart  
17 responding to you that's dated October 8th, 2018?

18 A I do.

19 Q And do you recall this email?

20 A I -- I do, I think. I'm trying to make it move so I can  
21 read it, but it's not -- it doesn't want to do that.

22 Q Because we have control of it, sir. It's not an exhibit.

23 A Well, I'm just reading. I can read the heading and he  
24 said quit sending the emails like this, but I don't know what  
25 that's --

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1 Q I'm happy to let you read any portion of it. If you'd  
2 like me to scroll down, we will.

3 A That would be nice. Let me just read it so I can -- when  
4 you say are you familiar with it, I'd like to read it, if  
5 that's okay.

6 Q Of course.

7 MR. MASON: Your Honor, I would just object to this  
8 document being used and shown to Mr. Makris. I'm not sure what  
9 the basis is for the impeachment or for the refreshing his  
10 recollection.

11 MR. GARMAN: Well, Mr. Makris just told me that he  
12 was not trying to regain control of the relationship. And in  
13 the first sentence, Mr. Hart sends a message responding to Mr.  
14 Makris saying "I gave you my best suggestions for getting back  
15 control." We're going to explore that portion of the email.

16 THE WITNESS: Okay.

17 MR. MASON: That statement is not from Mr. Makris.

18 THE WITNESS: It's certainly not.

19 THE COURT: Could you go through --

20 MR. MASON: This statement is from Mr. Hart.

21 THE COURT: Could you scroll down and let me see the  
22 whole thing? Is that possible?

23 MR. GARMAN: Yes, sir.

24 THE COURT: Keep going up. Thank you. Scroll up,  
25 please. Could you scroll up?

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1 MR. GARMAN: Scroll up, Dylan.

2 THE COURT: Or down, whichever -- yeah, down.

3 (Pause)

4 MR. GARMAN: So, Your Honor, I'm going to begin with  
5 Mr. Makris' statement at the bottom where he says, "Someone  
6 needs to rein this in."

7 THE COURT: I'm going to let you use it to --

8 THE WITNESS: Read the rest of that, Mr. Garman, if I  
9 can -- I don't have it where I can see it. Will you read the  
10 rest of that paragraph?

11 MR. MASON: And, again, Your Honor, I would object to  
12 this document. It was not disclosed on anyone's exhibit list.  
13 And based upon what Mr. Garman described it's being used for,  
14 it would be an improper impeachment. So I would object to this  
15 document being shown to the witness.

16 MR. GARMAN: And, Your Honor, just to respond  
17 briefly, my last question was, "Mr. Makris, you were attempting  
18 to regain control of this situation," to which he said no.

19 THE COURT: I'm going to overrule the objection.

20 MR. MASON: And, again --

21 THE COURT: Go ahead, Mr. Mason, for the record if  
22 you want to -- you heard what I'm going to rule.

23 MR. MASON: I would also object on hearsay grounds,  
24 Your Honor.

25 THE COURT: Thank you.

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1 Proceed, Mr. Garman.

2 BY MR. GARMAN:

3 Q Mr. Makris, do you see at the bottom of -- I'm sorry. Mr.  
4 Makris, do you see at the bottom of this, you wrote an email to  
5 Mr. Steve Hart in which you say among other things "someone  
6 needs to rein this in?"

7 A Wait a minute. I'm trying to see -- what I see at the  
8 very bottom is "Brewer's email directly contradicts what you  
9 and Wayne have told me."

10 Q That's what I'm asking about, sir. If you continue down  
11 to the fifth line.

12 A Okay. "Examine records, not seize them. He's asked for  
13 copies and his stated intention is to take them. It violates  
14 our mutual agreement" -- which is what I just said to you  
15 earlier, Mr. Garman. It's been the practice for 38 years.

16 Q I understand, sir.

17 A "Someone needs to rein this in."

18 Q I understand.

19 A "He can't even tell us what he's looking for." So --

20 Q Sir, I'm going to ask you to simply respond to my  
21 questions. Your lawyer will be able to ask you any question he  
22 desires in a redirect. But do you see where you say "someone  
23 needs to rein this in?"

24 A Yes.

25 Q Okay. Now if we could scroll up to the top of the email.

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1 This is an email from Steve Hart to you.

2 THE COURT: All right. Before we use --

3 MR. GARMAN: Can you tell me --

4 THE COURT: Before we use that, would you respond to  
5 Mr. Mason's hearsay objection on that? On that part of the  
6 email?

7 MR. GARMAN: Yes, sir. This is -- well, what i just  
8 read, sir, was a statement of this witness. And in response,  
9 I'm going to elicit testimony for the purpose of impeachment  
10 that shows that Mr. Makris was attempting to regain control of  
11 the situation which is inconsistent with his last response.

12 THE COURT: And his --

13 MR. GARMAN: And I believe it's to refresh his  
14 recollection.

15 THE COURT: His statement wouldn't be hearsay, the  
16 witness's statement. But on the Hart part of the email, could  
17 you respond on why that's not hearsay?

18 MR. GARMAN: Mr. Makris forwards this email at the  
19 top to Mr. Angus McQueen and Mr. Revan McQueen if you look all  
20 the way at the top. So this is actually a statement that Mr.  
21 Makris forwarded on for informational purposes to the remainder  
22 of his team. I believe that that is a statement that he then  
23 incorporated and adopted for the purpose of conducting business  
24 within Ackerman McQueen.

25 MR. MASON: Your Honor, if I may respond to that?



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1 THE COURT: You may.

2 MR. MASON: I don't believe forwarding an email is  
3 adopting anything that Mr. Hart, counsel for the NRA board, was  
4 saying at the time. The statements of Mr. Hart are clearly  
5 hearsay. I believe Mr. Garman just acknowledged that fact.  
6 And I would also object as it's an improper impeachment because  
7 these are Mr. Hart's words. These are not Mr. Makris' words.

8 If he wants to ask him about Mr. Makris' words, but  
9 to suggest that somebody just forwarded an email to somebody  
10 that they're somehow adopting what is being said does not  
11 change the fact that Mr. Hart's statements are hearsay.

12 THE COURT: Anything else, Mr. Garman, on the hearsay  
13 objection on the Hart part of the email only?

14 MR. GARMAN: Your Honor, I believe that today we have  
15 been relatively flexible when it comes to comments that have  
16 been made the meetings. I believe simply for the record that  
17 Mr. Makris makes an inquiry of Mr. Hart in which he asks how he  
18 could regain control. Mr. Hart responds with here are my  
19 suggestions. There's other testimony to elicit, but then Mr.  
20 Makris forwards it on internally as a strategy within Ackerman  
21 McQueen for the purpose of regaining control of this situation.

22 I think that, among other things, it's probably not  
23 even being offered for the truth of the matter asserted because  
24 Mr. Makris acts upon this -- upon these words.

25 MR. MASON: If I may just make one comment to that,

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1 Your Honor?

2 THE COURT: Very briefly.

3 MR. MASON: As Mr. Garman previously represented to  
4 me at a prior hearing, I don't believe "relatively flexible" is  
5 an exception to hearsay.

6 THE COURT: Well, I certainly let in comments that  
7 were made by representatives of the NRA come in this morning in  
8 testimony because those are not hearsay. Those are statements  
9 by members of the NRA, and that would not be hearsay as to  
10 them. They're a party opponent to the folks that offered them  
11 today.

12 So I heard that comment, but let me just say I think  
13 the Hart part of this email is hearsay.

14 MR. GARMAN: Okay. Let me take this down. I'll ask  
15 some other questions.

16 THE COURT: Okay.

17 BY MR. GARMAN:

18 Q Mr. Makris, Steve Hart is board counsel or was board  
19 counsel at the time of the National Rifle Association, correct?

20 A That's correct.

21 Q And he's a long-time friend of yours, right?

22 A That's correct.

23 Q Do you recall inquiring of Mr. Hart how you could regain  
24 control of your relationship with the National Rifle  
25 Association?

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1 A You're putting words in my mouth, Mr. Garman. What I was  
2 trying to get control of is the 38-year practice that was being  
3 throw out the window without the consent of Wayne LaPierre and  
4 without the instruction of anybody that I had worked with for  
5 38 years. So when they started talking about duplicating and  
6 carrying out, Wayne was telling me don't let them do that. And  
7 so I was in a bad place.

8 Q Is your testimony that Mr. LaPierre said you don't have to  
9 respond to the information requests my CFO, my treasurer, and  
10 my lawyers are making of Ackerman McQueen? That's your  
11 testimony?

12 A He specifically told me not to let them carry documents  
13 out of that room and specifically told me on a number of  
14 occasions not to provide things to Mr. Brewer.

15 Q Okay. What day did he make those statements? What year  
16 did he make those statements?

17 A From the time Bill Brewer was hired until we were  
18 separated repeatedly.

19 Q Have I shown you a letter in which Mr. Brewer made a  
20 request to inspect documents?

21 A No, sir.

22 Q Okay. So these requests are coming from within the  
23 National Rifle Association from the Treasurer's Office,  
24 correct?

25 A They are.

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1 Q Is it your testimony that Mr. LaPierre instructed you not  
2 to respond to requests coming from the Treasurer's Office?

3 A Mr. LaPierre told me repeatedly not to provide the  
4 documentation, and Mr. Phillips when he was asked about these  
5 letters said that he didn't sign them.

6 Q Sir, that isn't the question I asked you. My question is  
7 is it your testimony here today that Mr. LaPierre said  
8 disregard the document and information requests that are coming  
9 from my Treasurer's Office? Did he say that to you in response  
10 to these letters I have shown you?

11 A He said don't let them carry documents out of the room.  
12 We never -- we never denied them access to examine them.

13 Q What day did that happen?

14 A That can be provided. I wasn't there.

15 Q As you sit here today, do you know what day that happened?

16 A I do not.

17 Q Who was present in that conversation?

18 A Bill Winkler, Melanie Hill -- Melanie Montgomery now,  
19 Angus McQueen.

20 Q And where did that conversation take place?

21 A Conference call.

22 Q And were you there?

23 A I was on part of it, again, because they were talking --  
24 Wayne was talking to me. Steve Hart was talking to me.

25 Q Okay.

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1 A Josh Powell was talking to me.

2 Q And so you heard those words come out of Mr. LaPierre's  
3 mouth or you're repeating to us what you heard from your  
4 colleagues?

5 A Which words are you referring to, Mr. Garman?

6 Q "Do not respond to the document request coming from my  
7 Treasurer's Office."

8 A Again, he didn't say do not respond to the document  
9 request. He said do not let them carry the documents out of  
10 the room.

11 Q Where in any of the letters that I just showed you did it  
12 say we were trying to take the documents from the premises?

13 A The letters didn't say it. Mr. Brewer did it and his  
14 lawyers did it in person when he was there and said I want  
15 copies of all this, I'm going to take it with me. They wanted  
16 to take --

17 Q And that --

18 A -- (indiscernible).

19 Q Sorry.

20 MR. MASON: Your Honor?

21 MR. GARMAN: I apologize. I thought he was done.  
22 Yeah, fair point.

23 THE COURT: Finish your answer, Mr. Makris.

24 THE WITNESS: The -- the point was is what -- we're  
25 talking past each other, Mr. Garman. We never told these

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1 people they couldn't -- anybody they couldn't -- a designee  
2 couldn't examine records. It was when they wanted to carry  
3 them away. And if you look at and I'm sure that Mr. Winkler  
4 can provide the different times when they -- when they audited  
5 us, it was repeatedly and frequently.

6 So nobody controlled -- denied access. They denied  
7 them carrying them off the premises.

8 BY MR. GARMAN:

9 Q Sir, that's not a response to my request --

10 A That was (indiscernible).

11 MR. GARMAN: Your Honor, I'd move to strike the  
12 answer which was limited to inspection.

13 MR. MASON: He answered the question, Your Honor --

14 THE COURT: Overruled.

15 MR. MASON: -- that he was asked.

16 THE COURT: Overruled.

17 BY MR. GARMAN:

18 Q Why would you ask board counsel for a strategy to regain  
19 control of the process instead of work with the lawyers who had  
20 been identified as the point person by the National Rifle  
21 Association?

22 MR. MASON: Objection; misstates his testimony.

23 THE COURT: Overruled. You may answer the question,  
24 sir.

25 THE WITNESS: Bill Brewer had been threatening us

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1 since day one and threatening me and threatening me through  
2 Josh Powell. So we didn't have what you would call a  
3 cooperative relationship. At the same time, Wayne LaPierre was  
4 giving me contradictory commands to what Bill Brewer was  
5 requesting of others.

6 BY MR. GARMAN:

7 Q All right. You would agree with me that Bill Brewer is  
8 the opposing attorney, correct, sir?

9 A At that time, no. Now, yes.

10 Q Bill Brewer didn't represent Ackerman McQueen at the time  
11 of this dispute, correct?

12 A No, he was representing the NRA.

13 Q Right. And we already talked about the fact that Ackerman  
14 McQueen had its own lawyers in the form of McDermott -- the  
15 McDermott firm, McDermott Will & Emery, right?

16 A Correct.

17 Q Okay. Have you ever otherwise been involved in a  
18 situation in which you get to pick who the opposing party's  
19 attorney is going to be?

20 A No. And I wasn't professing to do it then. But when  
21 that's -- when you realize it's a hostile relationship.

22 Q What? When it's a hostile relationship, what?

23 A You -- you go directly to the person that's your employer  
24 --

25 Q And that's Steve Hart --

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1 A -- who's your client.

2 Q -- board counsel?

3 A No. It's your client, the NRA.

4 Q Okay. Let's move on. But at no point in time prior to  
5 April did Ackerman McQueen permit inspection of the documents  
6 that we had requested, correct?

7 A I don't know if it was or not.

8 MR. MASON: Objection.

9 MR. GARMAN: I'm sorry. I don't know if there was an  
10 objection.

11 MR. MASON: I'll withdraw it.

12 BY MR. GARMAN:

13 Q And there came a time when the Brewer firm filed a civil  
14 complaint on behalf of the National Rifle Association against  
15 Ackerman McQueen for a books and records inspection, correct,  
16 sir?

17 A I believe that to be true. I didn't have firsthand  
18 knowledge. I know that they filed suit against us.

19 Q Okay. I'd like you to look at NRA Exhibit 685.

20 So I'm not going to ask you detailed questions about it,  
21 so I don't believe you will need to read it.

22 A I don't know if I can even get to 685. I've got 662 and  
23 then it stops.

24 Q Yeah. Both parties --

25 A The document (indiscernible) 662.



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1 Q All right.

2 MR. GARMAN: Your Honor, both parties supplemented  
3 their exhibits, I think even in fact today. In fact, no one  
4 may have it so I'm just going to put this exhibit on the  
5 screen.

6 THE COURT: Okay.

7 BY MR. GARMAN:

8 Q Mr. Makris, I'll represent to you this is the lawsuit that  
9 was commenced against Ackerman McQueen. But is this a lawsuit  
10 -- is this a document you've ever seen before?

11 A I believe -- I can't see the date stamp on it, but I  
12 believe it has -- I believe I have, yes.

13 Q I will represent to you that it's faint, but I will  
14 represent to you that the file stamp is April 12th of 2019.

15 A Yeah, I can see that.

16 Q Is that consistent -- yeah. Is that consistent with your  
17 general understanding of when the NRA commenced action against  
18 Ackerman McQueen?

19 A That's correct.

20 Q And do you agree with me that this is a request for the  
21 inspection of books and records?

22 A I'll have to read the whole complaint again because I  
23 haven't read it in a few years. But I know that it was -- it  
24 was subsequently amended because a number of the things in the  
25 original complaint simply weren't true.

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1 Q Okay. But, sir, my question to you is very  
2 straightforward, which is as it was filed in April 12th of  
3 2019, do you have an understanding this is simply a request for  
4 the inspection of books and records? Yes or no?

5 A Yes.

6 Q So your goal was to get the Brewer firm fired, right?

7 MR. GARMAN: You can take this down.

8 THE WITNESS: No, sir. Not at all.

9 MR. MASON: Your Honor, I object as argumentative.

10 THE COURT: Sustained.

11 BY MR. GARMAN:

12 Q Did you make inquiry of officers and/or directors of the  
13 National Rifle Association seeking to have replacement counsel  
14 substitute in on behalf of the Brewer firm?

15 A No, sir.

16 Q Could you turn to Exhibit 591? It's NRA Exhibit 591, sir.

17 A Got it. Just stand by. You're training me, Mr. Garman.  
18 I'm getting better. Yes, sir, I have it.

19 Q Is this letter to Mr. LaPierre from Mr. Winkler a letter  
20 you've seen before today?

21 A It is.

22 Q Okay.

23 MR. GARMAN: Oh, before I move on, Your Honor, I'd  
24 like to admit NRA Exhibit 591.

25 MR. MASON: Give me just one, one moment.

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1 MR. GARMAN: Okay.

2 MR. MASON: 591?

3 MR. GARMAN: Yes.

4 MR. MASON: No -- no objection.

5 THE COURT: NRA --

6 BY MR. GARMAN:

7 Q Mr. Makris, you'll agree with --

8 THE COURT: Excuse me just a second.

9 MR. GARMAN: -- you'll agree --

10 THE COURT: NRA -- pardon me.

11 MR. GARMAN: I'm sorry.

12 THE COURT: Let me just go ahead and let it in, okay.

13 NRA 591 is in.

14 (NRA Exhibit 591 admitted into evidence)

15 MR. GARMAN: Sorry, Your Honor.

16 THE COURT: No --

17 MR. GARMAN: This is sometimes tough on video. I  
18 apologize.

19 THE COURT: It's okay. It's okay.

20 BY MR. GARMAN:

21 Q Mr. Makris, you'll agree with me that this is a letter

22 that is nine -- was transmitted nine day -- I'm sorry -- 10

23 days after the National Rifle Association commenced a lawsuit

24 against Ackerman?

25 A That's correct.

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1 Q What do you understand this letter to be?

2 A I think it's a letter request --

3 MR. MASON: Objection, foundation.

4 THE WITNESS: I don't -- I'm --

5 MR. MASON: Calls for speculation.

6 THE WITNESS: That's all I can do is speculate.

7 BY MR. GARMAN:

8 Q Well, sir, didn't you --

9 THE COURT: Sustained on --

10 MR. GARMAN: I'm sorry.

11 BY MR. GARMAN:

12 Q Didn't you testify you had seen this letter?

13 THE COURT: Sustained on foundation.

14 MR. GARMAN: Your Honor, I'm sorry.

15 BY MR. GARMAN:

16 Q Sir, didn't you testify that you'd seen this letter?

17 A I have seen this letter, yes.

18 Q Okay. And well, what do you understand this letter to be?

19 A A request for the backup for the expenditures for

20 \$274,695.03.

21 Q Okay. And when I turn to the second page of this

22 document, I understand that the information requests date all

23 the way back 15 years to 2004. Do I understand that correctly?

24 A Correct. Correct.

25 Q Is it a coincidence that it was nine days after the NRA

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1 filed a lawsuit that Ackerman McQueen made a request for  
2 information that dates back 15 years related to suits?

3 A The request was made I believe for documentation for  
4 expenditures that we weren't present for.

5 Q I understand. But is it a coincidence it was sent nine  
6 days after we commenced a lawsuit?

7 A That was -- it was -- they were looking for the  
8 documentation. I don't know that it was coincidence.

9 Q Okay. Do you understand that the documentation request  
10 relates to 274,000 and change of clothes that was purchased by  
11 Mr. LaPierre?

12 A I do.

13 Q And these are the Zenga [sic] suits we probably have all  
14 talked about a lot?

15 A Zegna, yes.

16 Q Zegna. I'm sorry.

17 A It's all right.

18 Q Mr. Makris, well, let me ask you a direct question. Did  
19 the NRA ever pay for those suits?

20 A I have no idea.

21 Q Okay. Wasn't it you who introduced Mr. LaPierre to Zegna  
22 suits?

23 A I don't know the answer to that. I shopped at Zegna a  
24 long time before I ever saw Wayne there, and I've been shopping  
25 at Zegna since, you know, the early '80s. I don't know when --

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1 Q But you had -- oh, sorry.

2 A So you know, in the sense of introduce would imply some  
3 formal thing. I shop there. The fact that he decided to shop  
4 there was his decision. I didn't tell him to shop there. I  
5 didn't take him to shop there, but I did shop there.

6 Q Yeah. But sir, isn't it true that Ackerman McQueen  
7 instructed or recommended Mr. LaPierre to go Zegna because he  
8 had to make television and other public appearances? Wasn't it  
9 Ackerman McQueen's idea to go there?

10 A The way you phrase that, not at all.

11 Q Okay. Did you see this letter before it was transmitted  
12 to Mr. LaPierre?

13 A No, sir. I think I saw it afterwards.

14 Q Who's --

15 A I don't know exactly what time --

16 Q -- who's Tyler Schropp? I'm sorry.

17 A Okay. I'm going to help you with that one, too. It's  
18 Schropp, S-c-h-r-o-p-p.

19 Q I do believe that's what I said, or I was trying to say.

20 A Okay.

21 Q Who's Schropp?

22 A He is the head of advancement for the National Rifle  
23 Association, and the advancement office --

24 Q Okay.

25 A -- is in charge of large donor fundraising and plan

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1 giving.

2 Q And before that he was an employee of Ackerman McQueen,  
3 right?

4 A He was.

5 Q And my understanding is that he ceased being an employee  
6 of Ackerman McQueen and started the employment at the National  
7 Rifle Association somewhere around 2009. Do I have that right?

8 A I think it was '9 or '10, yes, sir.

9 Q Okay. And in fact, well, I think it's a small interest,  
10 Mr. Schropp owns a portion of your Under Wild Skies entity,  
11 right?

12 A It's less than a dollar value. When I formed under Wild  
13 Skies he was my number two in the Washington office, and I put  
14 him on the filing documents, because I needed a secretary and a  
15 treasurer.

16 Q Sir, respectfully, I didn't ask you why you did it. I  
17 simply asked you whether you did do it. So going forward, I'm  
18 going to ask you to stick to my questions, sir.

19 A Okay. Restate the question. I'm sorry, Mr. Garman.

20 Q I just simply asked whether or not Mr. Schropp owns a  
21 small piece of equity of Under Wild Skies.

22 A In the past tense; it would be owned, yes, sir.

23 Q He no longer owns it?

24 A He does not.

25 Q Okay. Can you open NRA Exhibit 587?

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1 A Ought-oh. Just a second. I got a dark screen again, but  
2 I'm back.

3 Q Yes, sir.

4 A Thank you for indulging my techno peasantry.

5 Q Do I have it wrong? I'm sorry, your -- I'm sorry, sir.

6 580 -- NRA 587 is incomplete. I would actually ask you to open  
7 Ackerman McQueen Exhibit 72.

8 A Stand by. Opened; opened. I've got it.

9 Q Okay.

10 MR. GARMAN: One, I'd move to admit Ackerman Exhibit  
11 72, Your Honor.

12 MR. MASON: No objection.

13 THE COURT: Ackerman 72 is in.

14 (Ackerman Exhibit 72 admitted into evidence)

15 BY MR. GARMAN:

16 Q So Mr. Makris, you would also agree with me that this is a  
17 letter that was transmitted to Mr. Schropp 10 days after the  
18 National Rifle Association commenced an action for books and  
19 records review against Ackerman McQueen, right?

20 A I see that date of the letter, yes, sir.

21 Q Okay. And in the second paragraph, the beginning at the  
22 second sentence it reads, "Due to NRA's demands in the lawsuit  
23 we are notifying you that you have failed to provide written  
24 approvals, receipts and other support for expenses related to  
25 your travel, entertainment, et cetera." Do you see that, sir?



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1 A I do.

2 Q This is a letter sent to an employee who had been gone  
3 nine or 10 years, correct?

4 A Yes, sir.

5 Q And it's asking for the backup support for \$454,842.89 of  
6 expenses, correct, sir?

7 A Correct.

8 Q And those are expenses that were passed through to the  
9 National Rifle Association for reimbursement for Ackerman  
10 McQueen, right?

11 A That's correct.

12 Q Isn't this an acknowledgment that Ackerman McQueen did not  
13 have such documents in its possession?

14 A They -- the documents were in possession of the person  
15 that incurred the expenses, and they didn't provide us with the  
16 documentation. So we're requesting it.

17 Q I understand.

18 A And not --

19 Q But these requests date back over a decade, right?

20 A They date back to his time going to work for the NRA, yes.

21 Q Okay.

22 MR. MASON: And Your Honor, I'll just object to  
23 relevance on this with respect to Mr. Makris. Mr. Winkler is  
24 going to be testifying here shortly and obviously can answer  
25 any questions about these documents. But with Mr. Makris I'll

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1 just object on relevance.

2 THE COURT: Relevance, Mr. Garman.

3 MR. GARMAN: Yeah. Your Honor, Mr. Makris previously  
4 testified about the mechanics of the expense reimbursement and  
5 the expense policy used at Ackerman McQueen. I'm attempting to  
6 drive contrary evidence suggesting that they were not  
7 compliant, as the previous testimony indicated.

8 THE COURT: Relevance objection is overruled.

9 BY MR. GARMAN:

10 Q Mr. Makris, I'd next like you to review -- I'm sorry.

11 MR. GARMAN: Is 684 an Ackerman or an NRA exhibit?  
12 Okay.

13 BY MR. GARMAN:

14 Q You may not have this yet, sir. Do you have NRA Exhibit  
15 684 in the exhibits before you?

16 A Let me see if I do, sir. No, sir, I don't. I've got a  
17 180 and that's it.

18 Q Again, this is -- this is --

19 A Oh, yeah. I'm sorry. I'm --

20 Q Yeah.

21 A -- I stand corrected. Pardon me.

22 Q Hum.

23 A And it's -- the number again?

24 Q 684.

25 A All right, sir. Stand by.

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1 Q Okay.

2 A No. I only go to 652, Mr. Garman.

3 Q Yeah. I was afraid of that, sir. I'm going to -- it's a  
4 one-pager. I'm going to put it on the screen and see if you  
5 can identify it.

6 A Yes, sir.

7 MR. GARMAN: Zoom out just a little bit. That's --  
8 no. Go back in. It's too hard to read for me.

9 BY MR. GARMAN:

10 Q Mr. Makris, is this a document that you can identify?

11 A I can see the top -- the heading at the top.

12 Q But is it a document that you're familiar with, working in  
13 the Ackerman McQueen organization?

14 A I may have looked at this 38 years ago when I started to  
15 work for them, but I knew what the procedure was and complied  
16 with it, so.

17 Q Okay. Well, if you know what it is, can you tell me what  
18 the Ackerman McQueen travel and expense policy is in your own  
19 words?

20 A If I incurred expenses on behalf of a client I would  
21 charge them on my Ackerman McQueen credit card. I would  
22 produce receipts with my executive assistant, and we would fill  
23 out an Ackerman McQueen expense report, noting the charge, the  
24 date, place, who was present and what the business purpose of  
25 the expense was.

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1 Q And would you agree with -- I'm going to ask you a couple  
2 questions about the policy. Would you agree with me that the  
3 Ackerman McQueen policy as written indicates that the category  
4 of entertainment is closely scrutinized by the IRS and is one  
5 of the areas that Ackerman McQueen must monitor most closely?

6 MR. MASON: Your Honor, I'll just assert an  
7 objection. To the extent that he's asking about the written  
8 policy in this particular document, which is not into evidence,  
9 I'll object on foundation and hearsay.

10 MR. GARMAN: Your Honor, the witness told me he was  
11 aware of the policy on his own.

12 THE COURT: Overruled.

13 MR. MASON: Your -- your --

14 THE COURT: You may answer the question, sir.

15 THE WITNESS: I didn't -- then repeat the question,  
16 please.

17 BY MR. GARMAN:

18 Q Yeah. Does the Ackerman McQueen travel and expense policy  
19 indicate that the category of entertainment is most closely  
20 scrutinized by the Internal Revenue Service and therefore one  
21 of the areas that the -- that Ackerman McQueen will most  
22 closely monitor?

23 A I can't read that here, because this is very, very fine  
24 print. So I'm not able to comment -- I don't -- I don't -- I  
25 can't read this. It's a third of my screen or less.

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1 Q Sure. Sure.

2 MR. GARMAN: Dan, will you zoom in on the middle  
3 category called "Entertainment"?

4 BY MR. GARMAN:

5 Q Sir, I'd ask you to read that first paragraph under the  
6 title of "Entertainment"?

7 A Yes, sir, I've read it.

8 Q Did I accurately summarize the policy?

9 A You read the first paragraph, I do believe, yes.

10 Q Okay.

11 MR. GARMAN: You can zoom out.

12 BY MR. GARMAN:

13 Q Mr. Makris, what's the -- is there a policy that you're  
14 aware of as it relates to cash advances or gratuities?

15 A There is, yes.

16 Q And what do you understand that policy to be?

17 A That you can request a cash advance before a business  
18 trip, and that you will submit an expense report to account for  
19 the cash expended.

20 Q Okay. Did you submit expense reimbursement forms or  
21 submissions for the work that you did with the National Rifle  
22 Association?

23 A Yes.

24 Q Okay. And did you do that nearly every time?

25 A I did it every time.

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1 Q Okay. Are you aware that Mr. Winkler has said that you  
2 were exempt from the Ackerman McQueen travel and entertainment  
3 expense policy?

4 A I'm not aware of Mr. Winkler's testimony at all.

5 Q Okay. I'd like you, sir, to turn next to NRA Exhibit 224.  
6 It's a long document. Tell me when you get there, sir.

7 A I'm there. I'm reading the first page of it, I guess. I  
8 haven't -- you want me to read --

9 Q No.

10 A -- you want me to look at all of them, or you doing it  
11 directly to something in particular or?

12 Q Yeah. Sir, it's about 450 pages. I'm not going to ask  
13 you to read them all. I would ask you to turn to the Bates  
14 label at the bottom. This will be, I don't know, 20-30 pages  
15 in. And in the lower right-hand corner I'm asking you to refer  
16 to NYAG 00122927. So it'll be document NYAG -

17 A I'm almost there.

18 Q -- 927.

19 A I got it. Just give me a second. I'm almost there.

20 Q I've been told it's PDF page 28.

21 A Means nothing to me. I'm following your numbers, my  
22 friend. Almost there. Stand by. Two-seven -- 927?

23 Q Yes, sir.

24 A Yes, sir.

25 Q To make sure we're looking at the same document, sir, are

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1 you looking at a document that is titled, "Expense report," has  
2 the name of Jeff Minson on it, and below that says, Tony Makris  
3 travel/tips?

4 A That's correct, yes, sir. I'm looking at it.

5 Q Mr. Makris, this second entry on 9/30/2015, does this  
6 entry reflect the fact that you made \$3,000 of gratuities in  
7 Los Angeles to drivers, bellmen, housekeeping and plane staff?  
8 Well, that's the question.

9 A Were you through, Mr. Garman?

10 Q Yes, sir.

11 A Say -- you asked me if I -- did I -- what -- I did not  
12 spend \$3,000 on tips in one day, no, sir.

13 Q No, sir, but this is a request for \$3,000 of gratuities  
14 that has been submitted for reimbursement fo the National Rifle  
15 Association, correct?

16 A I think so. This is a form that I would not usually see.  
17 As you see, it doesn't have a signature block for me. But the  
18 way -- I can explain the way it works, if that's what you're  
19 asking.

20 Q No, sir. This is --

21 A Okay.

22 Q -- this is a document that you previously testified to  
23 this morning in the same form, although different content,  
24 right?

25 A Well, there were different ones. There would be my

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1 submission, which was the one that I filled out and signed.

2 And then this would be the -- this one, the Ackerman accounting  
3 office filled out and submitted to the NRA. I didn't submit  
4 this to the NRA; nor did I fill this out. I filled out a  
5 document that led to this.

6 Q Right. I understand.

7 A Okay.

8 Q Hear the question very specifically. Does this document  
9 evidence the fact that you were seeking \$7,500 of reimbursement  
10 by the National Rifle Association for gratuities to, among  
11 other things, drivers, bellcaps, housekeepers and plane staff?

12 A A period -- yeah, it's over a three-month period, yes.

13 Q Okay. And do you believe it appropriate to seek  
14 reimbursement of \$7500 of gratuities that you provided to  
15 service folks?

16 A I was providing those gratuities to service folks at the  
17 correct -- direction of Wayne LaPierre, because on these trips  
18 I was traveling with him. And so if I was with Mr. LaPierre  
19 traveling private, you would have baggage handlers at your FPO  
20 at takeoff, and car drivers, and then you would have baggage  
21 handlers and car drivers at your landing. You would have  
22 baggage handlers and people at the airport, bellmen and front  
23 door people that would leave our cars in front so that we could  
24 make a quick escape -- or in back -- so we could make a quick  
25 exit.



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1 Q Sir.

2 A And it -- so it was a whole lot of people at NRA's  
3 direction.

4 Q Sir, that isn't the question I asked you, but to be  
5 clear --

6 A Okay.

7 Q -- as you sit here today and testify here today, is it  
8 your testimony, yes or no, that Mr. LaPierre instructed you to  
9 provide all \$7,500 of these tips?

10 A It's over broad, the question. Did I provide tips at his  
11 direction in his presence, yes. Would he ask me -- and  
12 afterwards, did you get the doorman, did you get the bellman,  
13 did you get the baggage guys at the airport, did you get the  
14 drivers, and he would go down the list of people that we  
15 ordinarily and normally tipped.

16 MR. GARMAN: Your Honor, I'd move to strike and ask  
17 you to instruct the witness to answer my question.

18 MR. MASON: Your Honor, I believe he did answer the  
19 question.

20 THE COURT: Overruled.

21 BY MR. GARMAN:

22 Q Do you specifically recall Mr. LaPierre instructing you to  
23 give these tips in September of 2015?

24 A He did it ever time I traveled with him, whether it was  
25 September 2015, he did it all the time. It was standard

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1 practice.

2 Q How do you know you were -- how do you know you were  
3 traveling with him?

4 A Well, I don't know without putting my travel schedule  
5 together, but I didn't take this kind of money on trips and  
6 with -- by myself. So it was when I was --

7 Q Did you --

8 A -- supporting an NRA mission.

9 Q But you did travel privately without Mr. LaPierre, without  
10 any other employees of the National Rifle Association, and you  
11 would submit that private travel for expense reimbursement,  
12 right?

13 A Well, you're -- I -- you're -- I'd take issue with your  
14 private. The word "private" would imply that I was on some  
15 sort of a vacation.

16 Q No, sir, it doesn't.

17 A What do you mean by private?

18 Q Would you fly by charter flight without NRA employees and  
19 submit that cost or expense reimbursement by the National Rifle  
20 Association, yes or no?

21 A Only at the direction of the National Rifle Association.

22 Q Is that a yes, sir? Is that a yes?

23 A Well, not -- the answer is, you're asking for a question  
24 that I can't answer, because the way you ask it is -- it's  
25 impossible to parse it down to your answer. I rarely travel

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1 private. I have traveled private. I have friends that own  
2 airplanes.

3 Q And when --

4 A And so the question is, did I travel private and bill it  
5 back to the NRA? And I said, without the NRA's prior approval,  
6 never.

7 Q But did you fly private without employees or  
8 representatives of the NRA, and bill that travel for  
9 reimbursement by the National Rifle Association?

10 A Yes.

11 Q Is it your testimony as you sit here today that there are  
12 no gratuities or tips for which you sought reimbursement that  
13 were not at the express direction of Mr. LaPierre?

14 A No, it is not my point that they were at the express  
15 direction. I was supporting an NRA mission on NRA business as  
16 an NRA known representative. So when we were at annual  
17 meetings or anywhere else I tipped a wide variety of people in  
18 a number of hotels.

19 Q Why do you believe it appropriate that you should be  
20 reimbursed for that by the National Rifle Association?

21 A Because it was done at the direction of the National Rifle  
22 Association and it supported their mission.

23 Q Okay. And when you would fly private without being  
24 accompanied by Mr. LaPierre or other employees of the National  
25 Rifle Association you would use the services of II and IS,

1 correct?

2 A There again, you're asking an over broad question. If I  
3 flew private at the direction --

4 Q No, sir.

5 A Yes, you are. I mean, I flew private a lot that had  
6 nothing to do with the NRA.

7 Q Sir -- fair enough. Actually, fair enough.

8 A It is fair enough. I'm just trying to answer your  
9 question.

10 Q Yeah. I know. I'm sorry. But let's start this over.  
11 Even on matters that are unrelated to the National Rifle  
12 Association, you would fly private and use the services of II  
13 and IS, correct?

14 A No, sir. If I was flying on something that had nothing to  
15 do with the NRA I paid for it myself. Did I use II and IS, you  
16 know, 10 to 15 years ago to book a flight? Possibly, but I  
17 didn't bill that to the NRA.

18 Q No, but did you pass through -- you did pass through the  
19 cost of the II and IS contracts to the National Rifle  
20 Association, didn't you?

21 A I didn't, no, sir.

22 Q But Ackerman McQueen did, right?

23 A That's what I've read.

24 Q But you don't have any personal knowledge of that?

25 A Didn't know about it until this litigation started.

Makris - Cross/Garman

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1 Q Do you have any personal knowledge as to whether or not  
2 Revan McQueen for his personal vacation used the services of II  
3 and IS that were subsequently billed through to the National  
4 Rifle Association?

5 A I do not.

6 Q All right. Let's talk about Landini's. Do I understand  
7 that you are a founder of the -- of Landini's, which you  
8 testified about earlier?

9 A No, sir. I'm not a founder of that. It was a restaurant  
10 that was opened a year or two before I moved back to  
11 Washington.

12 Q Yeah. So if I --

13 A But I was a regular patron.

14 Q Yeah. So if I have a document that indicates that, it  
15 would just be incorrect?

16 A It is incorrect.

17 Q Okay. Would you -- how often -- strike that. In 2016 and  
18 2017 you ate at Landini's over 200 times on invoices that you  
19 passed through for reimbursement by the National Rifle  
20 Association. Isn't that correct?

21 A No, sir.

22 Q How many times do you believe you ate at Landini's in 2016  
23 and 2017 for which you sought reimbursement?

24 A You're very thorough, sir, but I can't provide that off  
25 the top of my head. But the NRA employees, both Wayne, Susan

Makris - Cross/Garman

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1 and all the rest of them regularly charged things under my  
2 account at Landini Brothers when I wasn't present. Josh Powell  
3 charged multiple meals night after night after night while I  
4 was in Africa. So they charged --

5 MR. GARMAN: Your Honor --

6 THE WITNESS: -- my account all the time. So if you  
7 say I ate all those meals, it's simply inaccurate.

8 MR. GARMAN: Your Honor, I'd move to strike his  
9 answer.

10 THE COURT: Sustained.

11 BY MR. GARMAN:

12 Q Mr. Makris, you know it's not 200 times. Do you have any  
13 estimate, as you sit here today, in the year 2016 and 2017 how  
14 many meals you personally attended for which you personally  
15 sought reimbursement by the National Rifle Association?

16 A I do not.

17 Q If I were to tell you that I believe the number to be in  
18 excess of \$140,000 would that seem to be an appropriate,  
19 approximate amount of your reimbursements?

20 A If you consider all the NRA employees that were billing  
21 things to me, yes, it would.

22 Q No, sir. I'm talking about you personally, only your  
23 meals?

24 A Not my meals, no.

25 Q Okay. Kind of hotels do you stay at when you are on

Makris - Cross/Garman

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1 National Rifle Association related business?

2 A Wherever Wayne LaPierre is staying and wants me to stay.

3 So if he says, go with me on this trip, I stay in the hotel

4 where he's staying.

5 Q When you were on --

6 MR. MASON: Your Honor --

7 MR. GARMAN: -- when you were --

8 MR. MASON: -- can the witness please finish his

9 answer?

10 THE COURT: Yes, he can.

11 MR. GARMAN: Your Honor, there might be a problem on

12 my side. I apologize. I am having a bit of a hard time

13 hearing the witness.

14 THE COURT: All right.

15 MR. GARMAN: On a number of occasions it may sound

16 like I cut him off, when I in fact thought his answer was

17 concluded. So I apologize if I keep stepping over the witness.

18 It is unintentional.

19 THE COURT: No problem.

20 MR. GARMAN: Either way.

21 THE COURT: Are you done with your answer?

22 THE WITNESS: No, sir. I was trying to answer when

23 he -- let him restate the question. I've lost the chain.

24 BY MR. GARMAN:

25 Q When you travel without with Mr. LaPierre -- or when you

Makris - Cross/Garman

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1 traveled without Mr. LaPierre on National Rifle Association  
2 business, isn't it true that you stayed exclusively at the  
3 quality of hotel similar in nature to Ritz Carlton's, Four  
4 Seasons or the Beverly Hills Hotel?

5 A Yes, sir.

6 Q Okay. And do you believe it appropriate to stay at such  
7 establishments and submit those invoices for reimbursement by  
8 the National Rifle Association?

9 A I was doing NRA business and I was going with NRA  
10 approval, and I was meeting with NRA people and frequently had,  
11 you know, high net worth individuals traveling with me, staying  
12 in the same hotel.

13 Q Okay. Is that a yes, sir?

14 A Yes.

15 Q Okay.

16 A It was appropriate.

17 Q Okay. Would you agree with me that the out-of-pocket  
18 expenses for which you sought reimbursement in the year 2016  
19 related to travel and entertainment exceeded \$560,000 that was  
20 billed to the National Rifle Association?

21 MR. MASON: Objection. Assumes facts, foundation.

22 THE COURT: Overruled. You may answer the question,  
23 sir.

24 THE WITNESS: Expenses that I personally incurred?

25 No. Expenses that were attributed to a line item that had my



Makris - Cross/Garman

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1 name on it, yes.

2 BY MR. GARMAN:

3 Q Okay. We'll deal with that later. You testified earlier  
4 today about meals at Landini's, meals that were -- I don't want  
5 to put words in your mouth -- but submitted for reimbursement  
6 by other NRA employees, I think you called -- is -- identified  
7 Milly Hall. I think you identified Josh Powell. Do you recall  
8 that testimony?

9 A I do.

10 Q And you said it came to a halt in 2018, correct?

11 A Correct.

12 Q And did it come to a halt in 2018 because the NRA  
13 tightened up its expense reimbursement and submission policies?

14 A It came -- yes, to answer -- the short answer's yes.

15 Q Okay. And would you agree with me that beginning in 2018  
16 the NRA's internal controls began to work?

17 A I don't know about work, but I changed the way I did  
18 business according to their request, and was happy to do so.

19 Q But it also changed the way in which the NRA employees  
20 conducted their business, correct?

21 A I can't --

22 MR. MASON: Objection. Calls for speculation as to  
23 what the NRA employees did.

24 MR. GARMAN: Your Honor, I'm simply following up on  
25 his previous testimony where he described their conduct.

Makris - Cross/Garman

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1 THE COURT: Overruled. You may answer the question,  
2 sir.

3 THE WITNESS: I can't speak to all of the NRA  
4 tightening up or performance, but they certainly weren't  
5 charging things in my name at the restaurant that I frequented  
6 anymore.

7 BY MR. GARMAN:

8 Q Who terminated the relationship between the National Rifle  
9 Association and Ackerman McQueen?

10 A I have no idea.

11 Q Okay. Ackerman McQueen has made demand for, at varying  
12 times, \$40 million or \$100 million that it believes the  
13 National Rifle Association owes it, correct?

14 A I have no idea of the specific amount.

15 Q All right. Well, let's talk about Under Wild Skies.  
16 That's your entity, right?

17 A Sure. If you want to talk about Under Wild Skies, be  
18 happy to.

19 Q Okay. So earlier today you testified that the National  
20 Rifle Association was paying you, I believe your testimony was  
21 about \$600,000 a year to perform fundraising services, right?

22 A That's correct.

23 Q And you testified that you believed that that was a good  
24 exercise of the National Rifle Association's judgment, because  
25 you produced far in excess of what you were paid, right?

Makris - Cross/Garman

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1 A Over 38 years, probably a quarter of a billion dollars,  
2 yes, sir.

3 Q Okay. And that was a good decision made by the NRA, in  
4 your estimation, right?

5 A I think they've said so, yes.

6 Q Okay. But I'm asking about your opinion. Do you believe  
7 that to have been good judgment?

8 A Yes.

9 Q Okay. And you testified earlier today that you told the  
10 NRA if they didn't want to continue with that scope of services  
11 you would be happy to terminate it, right?

12 A That's correct.

13 Q Yet you've sued the NRA for \$17 million for termination of  
14 its relationship with Under Wild Skies, right?

15 A You're talking about two separate issues, Mr. Garman.

16 Q Is that statement true, that Under Wild Skies has sued the  
17 National Rifle Association for \$17 million?

18 A For breach of contract, yes.

19 Q Exactly.

20 MR. GARMAN: Your Honor, I have no further questions.

21 THE COURT: Mr. Mason.

22 MR. MASON: Yes, Your Honor, a few, a few followup  
23 questions.

24 REDIRECT EXAMINATION

25 BY MR. MASON:

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1 Q Mr. Makris, you were just asked about the NRA's litigation  
2 with Under Wild Skies. Is -- does the litigation with --  
3 between the NRA and Under Wild Skies have anything to do with  
4 the supplemental invoices?

5 A No.

6 Q Mr. Garman asked you earlier about the amount of money  
7 that Ackerman has been paid by the NRA over the years. What  
8 services did Ackerman perform for the NRA that was not approved  
9 by the NRA from the inception of its relationship to 2019?

10 A Nothing whatsoever.

11 Q What invoices did Ackerman send to the NRA from its  
12 inception of the relationship to 2009 that you know were not  
13 paid?

14 A I don't think any. I wouldn't have that information.

15 Q You were asked about the NRA losing confidence in Ackerman  
16 in the summer of 2018. Do you recall that?

17 A I was, yes, sir.

18 Q Why did you believe that the NRA did not lose confidence  
19 in Ackerman in the summer of 2018?

20 A Because right up until the first suit was filed Wayne kept  
21 pleading that we stay with him, stick with him, please don't  
22 leave, you know, I need you guys, Brewer's going to be gone,  
23 Josh is going to be gone 30-60 days.

24 Q In the January 2019 meeting that we talked about earlier  
25 with Mr. LaPierre did -- do you recall Mr. LaPierre indicating

Makris - Cross/Garman

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1 at any time during that meeting that he had lost confidence in  
2 Ackerman McQueen?

3 A No.

4 Q Do you recall Mr. LaPierre in that meeting indicating that  
5 he was ready to terminate the relationship with Ackerman  
6 McQueen?

7 A And pleaded with us not to.

8 Q Both in the October of 2018 meeting and then again in the  
9 January 2019 meeting, right?

10 A That's correct.

11 Q You were asked about gratuities and cash advances. When  
12 you would travel with Mr. LaPierre why did you take out cash  
13 advances?

14 A Because he would look to me, as he did others out in Adair  
15 (phonetic) to cover tips and gratuities along a number of stops  
16 on what might be a couple of two or three week trip.

17 Q Did you ever personally take any of that money for  
18 yourself?

19 A I did not. I had a procedure where I kept it separately.

20 Q Did you account for the funds that you -- and those tips  
21 that you would -- that you would provide during those trips  
22 with Mr. LaPierre?

23 A Yes.

24 Q Did Mr. LaPierre ever instruct you to pay the bellman, pay  
25 the baggage handlers?

Makris - Cross/Garman

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1 A Repeatedly.

2 Q Why did he do that?

3 A Because he wanted to maintain a good relationship in the  
4 places that he frequented. He also was worried about security  
5 and worried about confidentiality, and he knew that in a lot of  
6 the places, especially in Los Angeles and Las Vegas that media  
7 people would come around and try to bribe doormen and bribe  
8 staff to figure out who was where, and he wanted to make sure  
9 that we were in their good graces.

10 He also wanted to make sure that we could leave our cars  
11 where we wanted to leave them so that we could come out and get  
12 in and go, because his security detail had requested that. So  
13 that's -- the question of giving the bellman money when you get  
14 there and if you're going to be there a few days -- I mean,  
15 excuse me, the doorman -- you're going to give the doorman a  
16 little money here and there to make sure that happens. And  
17 you've got more than one doorman. So you may give more than  
18 one doorman money.

19 Q You were asked by Mr. Garman about flying charter without  
20 anyone from the NRA and then billing that back to the NRA. Do  
21 you remember that?

22 A I do.

23 Q Do you recall how many instances that -- how many times  
24 that happened?

25 A Maybe two.

Makris - Cross/Garman

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1 Q Do you know -- do you recall when that happened?

2 A Well, there was one of them that I was questioned about  
3 when Mr. Brewer -- one of Mr. Brewer's lawyers was in Montrose,  
4 Colorado, in January of 2018 and I'd forgotten about it until  
5 she brought the invoice up. And I was up there New Year's Eve.  
6 I'd just had bottom lobe of my right lung removed, and so I was  
7 up there with the family for New Year's.

8 And Josh Powell called me and said, we need you back in  
9 Dallas -- before the Dallas (indiscernible) -- we need you back  
10 Tuesday evening. And I said, well, I'm in Montrose -- I mean -  
11 - I'm in Telluride, which is two hours from Montrose. There's  
12 no airplane coming to Telluride. There's no airplane, regular  
13 service --

14 Q Next question.

15 A -- that's airborne from Montrose.

16 Q Let me just ask you --

17 A So I -- they had to send an airplane to get me if they  
18 wanted me there.

19 Q Sir, let me just ask you this question. On those two  
20 occasions where you flew private without anyone from the NRA  
21 and it was billed back to the NRA, did you get the express  
22 approval from the NRA prior to flying on the charter and  
23 billing it back in those two instances?

24 A Yes.

25 Q Okay.

Makris - Cross/Garman

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1 MR. MASON: No further questions, Your Honor.

2 THE COURT: Thank you.

3 Mr. Wang.

4 MR. WANG: Thank you, Your Honor. We'd like to pass  
5 the witness.

6 THE COURT: Thank you. Does anyone else have any  
7 questions of this witness before Mr. Garman has his second  
8 opportunity.

9 Mr. Garman.

10 MR. GARMAN: Okay. It's one, Your Honor. Well,  
11 it'll be two.

12 RECROSS-EXAMINATION

13 BY MR. GARMAN:

14 Q Mr. Makris, you just testified in all instances the  
15 expenses submitted by Ackerman McQueen to the National Rifle  
16 Association were in fact reimbursed. Do you recall telling Mr.  
17 Mason that?

18 MR. MASON: Objection. Mis-states his testimony.

19 THE COURT: I think that question needs to be  
20 restated. I'm not sure that was what his testimony was.

21 BY MR. GARMAN:

22 Q Do you recall being asked a question by Mr. Mason as to  
23 whether or not the expenses you submitted were reimbursed by  
24 the NRA?

25 A I believe they all were.



Makris - Cross/Garman

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1 Q Okay. And isn't the subject of those expenses in the  
2 backup documents exactly the dispute in the lawsuit for which  
3 the NRA sought books and records and inspection?

4 MR. MASON: Objection, foundation. Calls for  
5 speculation.

6 THE COURT: Overruled. You may answer the question  
7 about the lawsuit, if you know the answer, sir.

8 THE WITNESS: I don't know why they filed the  
9 lawsuit. They audited us over and over and over again, and  
10 they still filed a lawsuit. But there were other things in  
11 that lawsuit that were subsequently dropped, because they were  
12 false pleadings.

13 MR. GARMAN: No more questions, Your Honor.

14 THE COURT: Thank you.

15 Mr. Makless [sic] -- Makris -- excuse me -- I'm going  
16 to excuse you and would like to just give you a warning that  
17 there's been a rule of evidence invoked at the beginning of the  
18 trial, and I'm going to instruct you not to speak about the  
19 trial and what's going on today to anyone until I've ruled,  
20 which will be about a week after we finish the hearing. Do you  
21 understand that?

22 THE WITNESS: I do understand that, Judge, and you  
23 don't have to worry about me. But I wonder how -- I have a  
24 question, if I may ask.

25 THE COURT: Sure.

Makris - Cross/Garman

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1 THE WITNESS: This things has been broadcast, and I  
2 mean, there have been -- you know -- there are websites that  
3 have got broadcasts and quotes and documentation, and I've  
4 stayed away from it, but I -- how is that possible if there's  
5 some sort of a protective order?

6 THE COURT: Well, it's not legal for people to  
7 broadcast directly images or sound, the transcript of the  
8 proceedings on our Court's docket each day. But I just want  
9 you to be sure to follow my instruction and not to speak about  
10 the trial.

11 THE WITNESS: I shall.

12 THE COURT: Okay. Thank you very much.

13 THE WITNESS: I shall, Judge.

14 THE COURT: Yes.

15 THE WITNESS: And may I say, too, I miss, on these  
16 trials, on these -- this virtual thing, "All rise," when you  
17 enter the room. I remember that from the earliest days of my  
18 law enforcement.

19 THE COURT: Well, thank you very much. Thanks for  
20 coming down here today.

21 THE WITNESS: Thank you.

22 THE COURT: Thank you.

23 (Witness excused)

24 THE COURT: My --

25 MR. MASON: Your Honor, we've got -- I'm sorry. Go

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

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1 ahead, Your Honor.

2 IN RE: THE COURT: I think we're probably about to say the  
Case No. 21-30085-HDH-11  
3 NATIONAL RIFLE I show Mr. Winkler as your next witness. Is that  
ASSOCIATION OF AMERICA. 1100 Commerce Street  
4 and SEA GIRT, LLC, Dallas, TX 75242  
right, Mr. Mason?

5 MR. MASON: That is correct, Your Honor, and I need  
Debtors. April 16, 2021  
6 to get him set up. Is now a time to take a quick break?  
1:16 p.m.  
P.M. SESSION

7 THE COURT: Yes, why don't we take our shorter  
TRANSCRIPT OF TRIAL  
BEFORE HONORABLE HARLIN DEWAYNE HALE  
8 recess now, just to let you get your witness situated. All  
UNITED STATES BANKRUPTCY COURT CHIEF JUDGE  
9 TELEPHONIC APPEARANCES:  
right?

10 For the Debtors: Neligan LLP  
MR. MASON: Okay. By: PATRICK J. NELIGAN, JR., ESQ.  
11 (Recess at 2:58 p.m., until 3:05 p.m.) DOUGLAS J. BUNCHER, ESQ.  
JOHN D. GAITHER, ESQ.  
12 THE COURT: Ready, Mr. Mason? 325 North St. Paul, Suite 3600  
Dallas, TX 75201

13 MR. MASON: Yes, Your Honor, I am ready. May I  
Garman Turner Gordon LLP  
14 proceed? By: WILLIAM M. NOALL, ESQ.  
GREGORY E. GARMAN, ESQ.  
15 THE COURT: All right. Let me swear your witness in  
DYLAN CICILIANO, ESQ.  
16 first. TERESA PILATOWICZ, ESQ.  
7251 Amigo Street, Suite 210  
Las Vegas, NV 89119

17 For the Trustee: Mr. Winkler, can you hear me?  
Office of The United States Trustee  
18 MR. WINKLER: Yes, sir. By: MARC F. SALITORE, ESQ.  
LISA LAMBERT, ESQ.  
19 WILLIAM F. WINKLER, JR. 110 North College Avenue, Room 300  
Tyler, TX 75702  
ACKERMAN McQUEEN WITNESS, SWORN

20 THE COURT: All right. You may proceed.

21 ECRO: Shanette Green  
DIRECT EXAMINATION

22 Proceedings recorded by electronic sound recording, transcript  
BY MR. MASON: produced by transcription service.

23 Q — Good afternoon, Mr. Winkler. Could you please state your  
24 name for the record?

25 A William F. Winkler, Jr.  
JJ COURT TRANSCRIBERS, INC.  
268 Evergreen Avenue  
Hamilton, New Jersey 08619  
E-mail: jjcourt@jjcourt.com

(609) 586-2311 Fax No. (609) 587-3599

Winkler - Direct/Mason

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1 Q How are you employed?

2 A I'm the chief financial officer for Ackerman McQueen.

3 Q How long have you been with Ackerman?

4 A Since 1983.

5 Q What is your current title?

6 A Chief financial officer.

7 Q Do you have any certifications?

8 A I'm a certified public accountant.

9 Q What kind of company is Ackerman McQueen?

10 A Advertising, public relations, strategic management,  
11 crisis management, production, broadcast production and new  
12 media.

13 Q Does Ackerman have any subsidiaries?

14 A Mercury Group.

15 Q When was Mercury Group formed?

16 A I want to say late '80s, early '90s.

17 Q And what kind of business was Mercury Group engaged in?

18 A They were public relations and crisis management and  
19 strategic management and consulting.

20 Q Let's talk about the NRA a little bit. Was the NRA a  
21 prior client of Ackerman?

22 A Yes.

23 Q How long was the NRA a client of Ackerman McQueen?

24 A I think they began in 1981.

25 Q Do you know if that was before or after Mr. LaPierre

Winkler - Direct/Mason

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1 became the executive vice president of the NRA?

2 A That was before.

3 Q When was the relationship terminated?

4 A In June of 2019.

5 Q Who terminated the relationship?

6 A I think we did.

7 Q What kinds of services did Ackerman perform for the NRA?

8 A Crisis management, public relations, broadcast, speech  
9 writing, consulting, magazine publications. Those are the one  
10 -- oh, and media buying.

11 Q From the NRA's side who was the most involved in the  
12 relationship between the NRA and Ackerman?

13 A From the NRA's side?

14 Q From the NRA's side, yes, sir.

15 A Wayne LaPierre.

16 Q How would you describe Mr. LaPierre's involvement with  
17 Ackerman McQueen?

18 A Very involved. He and Angus McQueen talked constantly.  
19 He met with both Angus and Tommy on a very, very regular basis.

20 Q Did Mr. LaPierre attend meetings -- regular meetings with  
21 Ackerman?

22 A I believe so, yes.

23 Q What kinds of meetings?

24 A Budget meetings, planning meetings, strategy meetings. I  
25 was not always -- I was very seldom there, but I would get the

Winkler - Direct/Mason

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1 results of some of the meetings. I'd be brought up to speed.

2 Q Was Mr. LaPierre involved in the budgeting process between  
3 Ackerman and the NRA?

4 A Yes.

5 Q I believe you mentioned Mr. Angus McQueen and Tony Makris  
6 were kind of Mr. LaPierre's two closest points of contact at  
7 Ackerman. Is that accurate?

8 MR. GARMAN: Your Honor, I object. He's leading the  
9 witness.

10 THE COURT: Sustained.

11 BY MR. MASON:

12 Q Who at Ackerman would Mr. LaPierre typically consult with?

13 A Primarily Angus and Tony.

14 Q What was Angus' role at Ackerman?

15 A He was the chief executive officer.

16 Q Is Angus still with Ackerman?

17 A Angus passed away in the summer of '19.

18 Q What kind of relationship did Mr. LaPierre and Angus  
19 McQueen have?

20 A They -- like I said, they met on a regular basis. I think  
21 if there was any kind of a crisis I think Wayne looked toward  
22 Angus very often for counsel on how to handle it.

23 Q Besides Mr. LaPierre, what other NRA officers, if any,  
24 would Ackerman consult with in the normal course of their  
25 business?

Winkler - Direct/Mason

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1 A I can't speak toward the other Ackerman executives. In my  
2 instance it was probably primarily Woody Phillips; later, Craig  
3 Spray and Rick Tedrick.

4 Q What was Mr. Phillips' role at the NRA?

5 A He was the treasurer.

6 Q What about Mr. Tedrick?

7 A I believe Rick was the CFO.

8 Q How would you describe Mr. Phillips' involvement with the  
9 NRA and Ackerman relationship?

10 A Once again, he attended most meetings that Wayne attended,  
11 but then he would actually split off from the meeting and work  
12 with our people on some of the details to the budgets.

13 Q Mr. Winkler, you're -- are you Ackerman McQueen's  
14 designated corporate representative for this trial?

15 A Yes, sir.

16 Q Have you been sitting in and observing the proceedings  
17 since they began?

18 A Yes.

19 Q During the course of Ackerman's relationship with the NRA  
20 was there a process set up for Ackerman to incur expenses on  
21 behalf of the NRA?

22 A Yes.

23 Q What kind of -- what kinds of expenses would Ackerman  
24 incur on behalf of the NRA?

25 A Well, the largest out-of-pocket expense would be media.

Winkler - Direct/Mason

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1 There would be production expenses that would be associated  
2 with some of the production jobs it ran through, and then there  
3 were contracts that we would enter into with outside  
4 consultants and/or talent, and then obviously, the out-of-  
5 pocket job, which is -- seems to be of everyone's interest.

6 Q Let's talk a little bit about the -- what you characterize  
7 as the out-of-pocket job. What kind of expenses would Ackerman  
8 incur on behalf of the NRA with respect to the out-of-pocket  
9 category?

10 A From what I reviewed, it would be travel, entertainment,  
11 meals and then Gayle Stanford would be in that category, also.  
12 But primarily, it's travel and entertainment and meals.

13 Q Why was Ackerman incurring expenses on the NRA's behalf  
14 for travel, meals, entertainment, Ms. Stanford?

15 A Confidentiality and security.

16 Q What is an example -- well, let me ask you this, Mr.  
17 Winkler. Were there certain out-of-pocket expenses that were  
18 incurred by NRA employees and then charged to Ackerman and  
19 billed back to Ackerman?

20 A Yes.

21 Q And then were there other out-of-pocket expenses that were  
22 maybe charged from an Ackerman employee and then billed back to  
23 the NRA?

24 A Yes.

25 Q What is an example of where an Ackerman employee incurred



Winkler - Direct/Mason

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1 expenses on behalf of the NRA that were then charged back?

2 A Probably Tony Makris or Nader Tavangar. If they would  
3 travel with Wayne they would, you know, often pick up the hotel  
4 or pick up the tips or pick up the car service, and we would  
5 blow that back to the NRA.

6 Q What is an example of where an NRA employee would incur an  
7 expense that would be billed to Ackerman and then be billed  
8 back to the NRA?

9 A Tyler Schropp is a good example. He had a Ackerman credit  
10 card, once again, for confidentiality and security, and he  
11 would put charges on that card and we would -- as we got the  
12 statement we'd bill that directly through to the NRA on the  
13 operating out-of-pocket expenses.

14 Q What was Tyler Schropp's role at the NRA when he had that  
15 Ackerman credit card?

16 A I want to say he was the director of development. I'm not  
17 sure exactly what his title was.

18 Q Who authorized Ackerman issuing Mr. Schropp an Ackerman  
19 credit card?

20 A Wayne LaPierre.

21 Q When Mr. Schropp would incur expenses on that credit card  
22 would he provide the receipts or invoices for those expenses to  
23 Ackerman?

24 A No.

25 Q Why not?

Winkler - Direct/Mason

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1 A Once again, it was the direction of Wayne that the  
2 receipts not be submitted for those type of expenses.

3 Q Were there --

4 A But they were audited each year by their auditors.

5 Q Approximately how long did Ackerman incur these out-of-  
6 pocket expenses on behalf of the NRA?

7 A I want to say it probably started at a very low level when  
8 Wayne first came into the EVP role, and obviously, it grew over  
9 the years.

10 Q So how -- do you have an understanding of how many years  
11 back we're talking?

12 A I'm guessing at least 20, probably about 20 years. I'm  
13 not sure when Wayne became the EVP.

14 Q Were you ever part of conversations with Mr. LaPierre  
15 about the out-of-pocket expenses?

16 A Only the one time there was an issue with one of their  
17 auditors. Rick Tedrick wanted to take some of the documents  
18 back with him to D.C. I was involved in a conversation with  
19 Mr. LaPierre where Rick wanted to take it back. I told him I  
20 had to check with Wayne.

21 I went up, talked with Angus, and Angus got Wayne on the  
22 phone and Wayne said, absolutely not. He can't take them back  
23 with him.

24 Q Was that communicated -- was that then communicated to Mr.  
25 Tedrick?

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1 A It was. He was extremely frustrated. And quite frankly,  
2 after that year, which I think was 2012 or 2013, he actually  
3 let Woody Phillips come in and do the audit for the out-of-  
4 pocket job after that time.

5 Q Did you ever --

6 A And there was one -- sorry. Then there was one last  
7 audit. The very audit before the -- I'll say 2018 and '19 was  
8 actually done by Steve Hart, and he reviewed them.

9 Q And we'll talk about the audits briefly in just a few  
10 minutes. Did you ever have any conversations with Mr. Phillips  
11 relating to the out-of-pocket expenses?

12 A During every audit I would ask him at the end of the audit  
13 if there's any policies or procedures that they wanted to  
14 change. And I ask if they wanted to change it that it was  
15 fine, but they needed to give it to me in writing. They never  
16 gave me anything.

17 Q Did Ackerman and the NRA have an annual budgeting process?

18 A Yes.

19 Q Who at the NRA was part of that annual budgeting process,  
20 to your knowledge?

21 A To my knowledge it was Wayne and Woody, primarily.

22 Q Were the out-of-pocket expenses part of that annual budget  
23 prior to 2019?

24 A Yes, they were --

25 Q Yes, they were?

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1 A -- a line item on the budget.

2 Q During the course of the relationship at CFO of Ackerman  
3 what concerns did you have about Ackerman incurring the out-of-  
4 pocket expenses on behalf of the NRA?

5 A I really didn't have any. For the most part the expenses  
6 that came through looked like ordinary business expenses. And  
7 I did understand the designation of confidentiality and  
8 security, and so there was no reason to change -- I didn't see  
9 the types of expenses that I worried fell outside that realm.

10 Q Let's talk briefly about the audits that you referenced.  
11 Did the NRA conduct audits of Ackerman McQueen's books and  
12 records?

13 A Yeah. They audited just about every year. They may come  
14 in over -- you know -- over two years. They might wait two  
15 years to do an audit, but then they would audit the two years  
16 they hadn't been in there to see. So they saw almost every  
17 year.

18 Q Were you involved in these audits?

19 A Yes.

20 Q Prior to the fall of 2018 who would typically attend these  
21 audits on behalf of the NRA?

22 A Usually, it was Rick Tedrick that came in. Sometimes, it  
23 was Woody Phillips and sometimes it was both.

24 Q Did Steve Hart -- did he audit Ackerman at any point in  
25 time?

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1 A He did, but we actually took the audit materials to our  
2 D.C. office and met with Steve there to do the audit.

3 Q What kinds of documents would the NRA auditors have access  
4 to when conducting these audits of Ackerman?

5 A Well, primarily, where the highest dollars were that went  
6 outside would have been media. So they would always reconcile  
7 every media dollar with what was spent. You would have certain  
8 costs that would come through production jobs and they would  
9 look at the invoices for that.

10 Then they would obviously look at the out-of-pocket job,  
11 and they look at all 12 months of the out-of-pocket job,  
12 always. Then usually, Rick would want to see -- he would  
13 actually audit the time sheets versus the time summary. And I  
14 think at the end of the audit he usually did a calculation of,  
15 here is the income that he thought was out there versus the  
16 time that was charged against it and come up with an hourly  
17 rate.

18 Q What was the hourly rate he came up with?

19 A Anywhere from -- you know, I'm once -- I'm going to  
20 probably only speak for the last 10 years, because it's hard to  
21 speak longer than that, but probably anywhere from 85 to \$125  
22 an hour.

23 Q Ackerman did not bill the NRA by the hour, though, right?

24 A No. We didn't keep time by job. That's not the way we do  
25 it.

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1 Q Prior to the fall of 2018 were you aware of any complaints  
2 or concerns from the NRA auditors about their audits of  
3 Ackerman McQueen?

4 A No.

5 Q Were NRA representatives permitted to take documents with  
6 them as part of these audits?

7 A No.

8 Q With the exception of -- well, let me ask you this. Was  
9 the -- you mentioned Mr. Tedrick wanting to take documents.  
10 Besides that instance of Mr. Tedrick, were there any other  
11 times, that you recall, where the NRA auditors attempted to  
12 take documents?

13 A No.

14 Q So let's fast forward a little bit to the fall of 2018.  
15 Did the NRA conduct any audits of Ackerman McQueen's books and  
16 records in the fall of 2018?

17 A Yes.

18 Q How many?

19 A The first audit was in September. I'm not sure of the  
20 exact dates. I think a group from Bill Brewer's office or  
21 affiliated with Bill Brewer's office came into our CPA's office  
22 here in Oklahoma City, and I think they were here for either  
23 three or four days and I think there was like four or five  
24 auditors.

25 Q Who at Ackerman was present for that audit?

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1 A We -- I was there. Brandon Winkler was there. Christy  
2 DeGiusti was there, and Curt Atterbury may have been there the  
3 first day. Curt and Christy probably there just the first day  
4 to show the respective areas so they could see the  
5 documentation that they -- they kind of explained to them what  
6 they were looking at.

7 Q And I believe you said you thought there was about three  
8 to four -- I mean, three -- I'm sorry -- four to five  
9 representatives from the Brewer firm that attended that audit?

10 A I don't know whether they were specifically from the  
11 Brewer firm. I know Susan Dillon was. I don't know whether  
12 the other four were affiliated with them or not.

13 Q What information was requested by the Brewer firm during  
14 that audit that was not provided by Ackerman?

15 A For what I know, they received everything they asked for.

16 Q What concerns did the Brewer firm express to you about  
17 Ackerman's compliance during that September of 2018 audit?

18 A They didn't. They thanked me at the end of the audit.  
19 And I asked them if there was anything else they were looking  
20 for, and they said no.

21 Q When was the second audit in the fall of 2018?

22 A I want to say it's late October, early November.

23 Q Who conducted that audit on behalf of the --

24 A Well, that audit was --

25 Q -- on behalf of the NRA?

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1 A Yeah, on behalf of the NRA. That audit was -- and I do  
2 not remember the woman's name, but she was affiliated with  
3 Chuck Cooper, and she came in and audited all of Kerry Garth.  
4 Each invoice was versus the work produced for Kerry Garth.

5 Q Were you present for that audit?

6 A Yes.

7 Q How long did that audit last?

8 A She was extremely efficient. It was an enormous amount of  
9 information and billing to go through, but she got all of it  
10 done in one day.

11 Q What information was requested by that auditor from Ackerman  
12 that was not provided?

13 A Nothing. She received everything she asked for and  
14 thanked us for it at the end of the audit.

15 Q Did the NRA conduct any audits of Ackerman McQueen in  
16 2019?

17 A Yes. They had FRA come in and audit in February. Most of  
18 their audit were the same things that had been audited in  
19 September, but they came in in February. But their audit was  
20 -- they probably had, I want to say, once again, four or five  
21 auditors, and they were here for, I want to say, five days.

22 Q And when you say FRA, is that referring to Forensic Risk  
23 Alliance? Does that sound right?

24 A I think that sounds right. I just knew them as FRA.

25 Q Were you present for that audit as well?



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1 A Yes.

2 Q What information did FRA request in that particular audit  
3 that Ackerman did not provide?

4 A It's -- once again, on the media side, they received  
5 everything they wanted, anything they asked for. On the  
6 production side, they got -- I think they got a list of the  
7 employees that had worked on their account. I'm not sure about  
8 the hours worked.

9 The out-of-pocket job was a little bit different,  
10 because they asked some different questions on it. That --  
11 that information was -- they requested, for instance, all the  
12 detail and receipts for Tyler Schropp. They requested the  
13 detail and receipts for Wayne LaPierre. They requested the  
14 detail and receipts on some of the Landini charges.

15 And then they asked if there were any what could be  
16 deemed a contribution or gift to any member of the NRA, which  
17 involved the (indiscernible).

18 Q What was the problem with FRA asking for backup relating  
19 to Tyler Schropp and Mr. LaPierre's expenses and Landini's?

20 A Well, first of all, they really weren't -- well, Tyler  
21 Schropp and Wayne really weren't our employees. And, I'm  
22 sorry, Gayle Stanford was the same thing. They asked for the  
23 contract on her.

24 They weren't our employees and we had been directed,  
25 due to confidentiality and security, not to seek those -- those

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1 receipts and that information.

2 Q So Ackerman didn't have those documents in their  
3 possession?

4 A We did not.

5 Q During any of the prior audits that Mr. Phillips or Mr.  
6 Tedrick did, did they ever complain or comment on the fact that  
7 Ackerman didn't have that information?

8 A No. They knew we didn't, and they did not do anything to  
9 change that policy of not having it.

10 Q Was FRA told at that time that Ackerman didn't have those  
11 documents?

12 A Yes.

13 Q What feedback did Ackerman receive from FRA regarding  
14 Ackerman's cooperation during that February 2019 audit?

15 A Once again, at the end of the audit, I asked if there is  
16 anything else they needed to see, and they said no, and they  
17 thanked us for our cooperation. And we also got a letter from  
18 John -- I'm sorry -- the attorney for NRA, thanking us for our  
19 cooperation.

20 Q John Frazer?

21 A John Frazer. Yeah. Sorry. I went blank on the name.

22 Q Has Ackerman asked -- has Ackerman asked the NRA, to your  
23 knowledge, for FRA's results from their audit of Ackerman in  
24 early 2019?

25 A Yes, we did.

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1 Q Has Ackerman received the -- the results from that audit,  
2 to your knowledge?

3 A No, we have not.

4 Q Mr. Winkler, you've -- you testified earlier you've been  
5 present and observed these proceedings. Did you hear Mr.  
6 LaPierre testify?

7 A Yes.

8 Q Did you hear Mr. LaPierre testify that the -- what have  
9 been called the Winkler letters were the beginning of  
10 Ackerman's extortion attempt?

11 A Yes.

12 Q We just talked about the FRA audit. When was the NRA's  
13 first lawsuit filed against Ackerman McQueen?

14 A I want to say approximately April 12th.

15 Q What was the -- what was the NRA alleging in that -- in  
16 that lawsuit?

17 A That we had improper documentation.

18 Q In response to the allegations that were being made in  
19 that first lawsuit, did -- did you make a determination that  
20 something needed to be done?

21 A Well, I realized from the FRA audit -- because we hadn't  
22 gotten the results of it, I kind of was filling in the blanks  
23 of saying what information do I know we were unable to provide.  
24 And so I knew Tyler Schropp, I was missing the receipts, and  
25 Wayne LaPierre, I was missing the receipts. Gayle, I was

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1 missing the receipts. Landini, I was missing some receipts.

2           So I -- I believed I needed to request those receipts  
3 so I could meet the requirements of the lawsuit.

4 Q     And what steps did you take in order to obtain that  
5 information?

6 A     I wrote a letter to the individuals involved requesting  
7 the receipts and gave them the documentation of what I was  
8 looking for the receipts for. And I would have needed business  
9 purpose also, all the things to meet what the office's  
10 requirements were.

11 Q     So the purpose of the -- of the Winkler letters being sent  
12 was to ask the NRA to provide the information that they were  
13 accusing Ackerman McQueen of not providing?

14 A     In my opinion, yes.

15 Q     Why was Steve Hart copied on the letters that -- the  
16 Winkler letters that you sent?

17 A     Steve Hart had worked with me on the letter of agreement  
18 in 2017, and he had actually done the last audit and review of  
19 the out-of-pocket expenses.

20 Q     Was your intent in sending that to Steve Hart to -- to  
21 make sure that those letters got to the NRA board?

22 A     No.

23 Q     Was the intent of sending those letters to embarrass Mr.  
24 LaPierre or get him to resign?

25 A     No.

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1 Q Why was Craig Spray copied on those Winkler letters?

2 A Because he at that time was the treasurer. I would  
3 normally have copied Woody on it, because it was a financial  
4 matter. And I -- quite frankly, he may have had the records on  
5 his premises and not known it.

6 Q You heard -- were you here for Mr. Cotton's testimony at  
7 the beginning of the trial?

8 A Yes.

9 Q Did you hear Mr. Cotton testify that Ackerman was one of  
10 two vendors that refused to come into compliance with the NRA's  
11 changes with respect to its expense reimbursement policies?

12 A Yes.

13 Q During 2018, did Ackerman receive notice from the NRA that  
14 those -- that the NRA's policies were, in fact, changing?

15 A Yes, we did.

16 Q What steps, if any, did Ackerman take to comply with those  
17 policies?

18 A Well, on the out-of-pocket job, it basically went away.  
19 We took Tony's card back. We shut Tyler Schropp's card down.  
20 We discontinued the agreement with Gayle. We turned off the  
21 services of Landini. And we told Tony if he was going to do  
22 any travel, it had to be pre-approved. That just about took  
23 care of everything on that job.

24 Q Did Ackerman have any concerns or complaints with the  
25 NRA's new policy relating to expense reimbursement?

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1 A No. It actually made a lot of sense to me. I mean, there  
2 was a lot of correspondence that went back and forth, because  
3 we were trying to -- you know, once again, you have 38 years of  
4 doing business one way, and it was changing. So we were trying  
5 to make sure that we could understand what changes they were  
6 requesting and making sure that we could implement those  
7 changes.

8 Q Let's go back to October of 2018, Mr. Winkler, and briefly  
9 talk. Were you present for a meeting in October of 2018 --

10 A Yes.

11 Q -- with NRA executives?

12 A Yes.

13 Q Who do you recall attending that meeting?

14 A From the NRA side was Wayne and Craig Spray. From the  
15 Ackerman side was Melanie Montgomery, Lacey Cremer, Tony  
16 Makris, Angus McQueen, Revan McQueen, Bill Winkler, and Brandon  
17 Winkler.

18 Q What was the purpose of that meeting?

19 A There were really three purposes for that meeting. The  
20 first and foremost is we were trying to get clarification on  
21 the budget reductions and making sure that they were cut where  
22 Wayne wanted them cut and not cut in areas that he didn't want  
23 cut. So that was -- part of the meeting was for that.

24 The second part of the meeting was discussing that we  
25 did not want any further involvement with Bill Brewer and that

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1 we were -- we believed he was being heavy handed, and we did  
2 not want to deal with him. And if we were going to be forced  
3 to deal with him, we were prepared to resign.

4 The third one was Josh Powell who was at that time  
5 the designee that Wayne had designated, knowing that Josh  
6 Powell had sexually harassed one of our executives. And we  
7 told Wayne at that time we would not deal with Josh Powell  
8 either. And that was a reason that if it was going to be this  
9 way, we understood. Let's part ways on a positive note for 38  
10 years of good business.

11 Q With respect to Mr. Brewer, did you hear Mr. Makris's  
12 testimony about Mr. Brewer's threats regarding the FBI and  
13 RICO?

14 A Yes.

15 Q Were you aware of those prior to that October 2018  
16 meeting?

17 A Yes.

18 Q Did Ackerman express their concerns with Mr. Brewer's  
19 continued involvement during that October 2018 meeting?

20 A Yes.

21 Q What was Mr. LaPierre's response to that?

22 A He is not going to be -- he's got to fix the New York A.G.  
23 situation, and then he'll be gone, and I want you guys to all  
24 stick with me.

25 He -- as a matter of fact, at the end of the meeting,

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1 he looked at each individual person at Ackerman and said, "Will  
2 you stay with me?" And almost every person -- well, every  
3 person said, "If you will meet the criteria of no longer having  
4 to deal with Bill Brewer or Josh Powell, yes, we will meet  
5 that."

6 And we had no problems with what Craig was asking  
7 for. It actually made sense to the accounting, so...

8 Q Did Ackerman have any concerns, or were they fighting back  
9 about the NRA attempting to inspect the books and records?

10 A I think we were trying to get clarification, not really  
11 fighting back. I think we were trying to get clarification of  
12 what they wanted to look at. Some of their letters that came  
13 over, we couldn't understand what they were asking for.

14 Q Did you receive letters prior to that meeting that were  
15 addressed -- that were purported to be written by Mr. Winkler  
16 that were addressed to you?

17 A You mean by Woody Phillips?

18 Q I'm sorry. Yes, by Woody Phillips.

19 A Yeah. The very first letter that came, I want to say, was  
20 -- I'm looking once again at the documentation that I seen. I  
21 think it was August 8th. And as soon as I got that letter, I  
22 called Woody, because Woody and I had that relationship.

23 And I said, "Woody, what in the world is this? We're  
24 trying to figure out what it is."

25 And he said, "Bill, you can tell from the letter, I



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1 didn't write it."

2           And if you look at some of the other letters that  
3 came later, it's interesting, but it's referring in the base of  
4 the letter to we did not respond to the Woody Phillips letter  
5 and then it was signed by Woody Phillips. It was obvious that  
6 somebody else was writing the letters and putting Woody's name  
7 on them.

8 Q       With -- with respect to Mr. Brewer's involvement with  
9 Ackerman going forward, did Mr. LaPierre make any promises to  
10 Ackerman during that meeting?

11 A       He promised we would not -- we would not have to deal with  
12 Bill Brewer again.

13 Q       Did Mr. LaPierre follow through on that promise?

14 A       No.

15 Q       What about with Josh Powell? Did Mr. LaPierre make any  
16 promises with respect to Mr. Powell's involvement with Ackerman  
17 going forward?

18 A       He did replace Josh Powell as the designee, but I don't  
19 know about the day-to-day dealings, how much Josh was involved.

20 Q       Relating to the budget discussions during that October  
21 2018 meeting, did -- was Ackerman hostile in any way towards  
22 Mr. Spray or Mr. LaPierre about budget cuts?

23 A       I don't believe we were about budget cuts. I would not  
24 say the term -- the word "hostile" is a good one. It was an  
25 emotional meeting, because we had a 38-year relationship that

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1 we sensed there were some real problems going on, especially in  
2 the Bill Brewer area.

3 Angus was taking Bill Brewer's heavy handedness and  
4 accusations personally, because Bill Brewer is a family member.  
5 And so, yeah, that probably got a little bit emotional, but I  
6 don't know that I would ever say it got to the term of hostile,  
7 only because at the end of the meeting, everybody was walking  
8 out and once again having friendly conversation, not unfriendly  
9 conversations.

10 Q Were you ultimately -- were you ultimately able to reach  
11 an agreement on a budget and what would be cut and what  
12 wouldn't be cut?

13 A Yes. It took -- you know, at the meeting itself, we got  
14 very clear direction from Wayne and Craig what needed to be  
15 cut, which is what we were always looking for, which is why we  
16 called the meeting.

17 And then we actually had several items that we had to  
18 get back to Craig later and say, this is an additional area  
19 where we believe we can cut now that we've looked into it. We  
20 had to figure out where we were on jobs, et cetera.

21 And so we were able to get with Craig, and I think we  
22 got to the number he was looking for us to get to.

23 Q Did you have any concerns with Mr. Craig -- Mr. -- Mr.  
24 Spray -- Mr. Spray's new role as -- as CFO at the NRA?

25 A No. I -- I really liked Craig. I thought the NRA really

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1 needed what Craig was doing. It made a lot of sense to me as  
2 an accountant. Most of the systems Craig was bringing in were  
3 systems that I have in my own company. And so I look at it and  
4 say it makes a lot of sense.

5 I didn't see anything from our end. The hardest  
6 thing that we had to do was to get people from their end to  
7 understand the changes so that we could meet what Craig was  
8 requiring. People were so used to doing business different  
9 ways that we had to, in many instances, say, we can't take this  
10 project until it goes through this appropriate approval system.

11 MR. MASON: Your Honor, I'll pass the witness.

12 THE COURT: Thank you.

13 New York Attorney General?

14 MR. WANG: Your Honor, may I proceed?

15 THE COURT: You may.

16 CROSS-EXAMINATION

17 BY MR. WANG:

18 Q Good afternoon, Mr. Winkler.

19 A Hello, Mr. Wang.

20 Q Can you hear me all right?

21 A Yes, sir. I can.

22 Q Great. I just wanted to make sure my audio was good.

23 In the spirit of streamlining this afternoon, I'm  
24 going to focus my questioning very narrowly on two discrete  
25 issues and try to be sort of in and out very quickly.

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1 Mr. Winkler, would you mind opening Exhibit NYAG 134?

2 I don't know if you're familiar with the way that system is  
3 operating in front of you, so let me give you a moment to do  
4 that.

5 A Okay. Here is what's happened. Yesterday when I went  
6 through this, I had all of the things in the left column.  
7 They're gone now. All I've got is -- oh, you're saying NYAG  
8 what?

9 Q 134, Exhibit No. 134.

10 A I'm sorry. I have a 341. I do not have a 134.

11 MR. MASON: We may be able to put it up on the  
12 screen, Mr. -- Mr. Wang.

13 BY MR. WANG:

14 A Yeah. I'm missing that file list of -- on the left,  
15 Brian, that had the NYAG. There's a file listing on the left  
16 that's not on my screen this morning -- or this afternoon.

17 Q That's perfectly fine. I can use the screen share that  
18 Mr. Mason has -- has shared, just so that we can move this  
19 along.

20 Does Exhibit 134, do you know what this is, Mr.  
21 Winkler?

22 A Yeah. This is a monthly billing for our out-of-pocket  
23 job.

24 Q And we've been discussing the out-of-pocket job today, and  
25 you testified to that earlier. You said this document is

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1 familiar to you. Is this document familiar to you?

2 A Yes.

3 Q Is this document typical of what the out-of-pocket job  
4 invoices might look like?

5 A Yeah. The layout of it, yes. I think the 151 is probably  
6 a little bit high. But, yeah, the layout of it is correct, and  
7 the verbiage is correct.

8 Q Did any backup documentation accompany these types of  
9 invoices when you sent them to the NRA?

10 A No. The backup was only reviewed at their annual audit.

11 Q How did the invoice come to be formatted in this manner?

12 A At the client's request.

13 Q And when you say the client, do you mean the NRA?

14 A Yes.

15 Q Did the NRA ever ask you for additional detail on these  
16 invoices?

17 A No.

18 Q I'm going to --

19 MR. WANG: Your Honor, I offer NYAG Exhibit 134 to be  
20 admitted into evidence.

21 MR. MASON: No objection.

22 THE COURT: NYAG 134 is in.

23 (NYAG Exhibit 134 admitted into evidence)

24 MR. WANG: Mr. Mason, I may need your help to put up  
25 another exhibit if Mr. Winkler doesn't have access.

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1 BY MR. WANG:

2 Q If you would please open up New York Attorney General's  
3 Exhibit 130.

4 A I see it.

5 Q Mr. Winkler, does this document from the cover page look  
6 familiar to you?

7 A Yes.

8 Q Do you know what WBB Investments, LLC, is?

9 A It was a partnership that we set up for the purpose of  
10 purchasing a home in Dallas for Wayne. NRA was going to own 99  
11 percent -- well, per the partnership agreement, NRA owned 99  
12 percent of the partnership and a small partnership owned  
13 another 1 percent.

14 Q Mr. Winkler, directing your attention to page 5 of the  
15 document -- page 5 of the pdf, do you recall the date of this  
16 agreement?

17 A I -- I want to say -- okay. It's May 11th. Yeah, I was  
18 going to say the end of April, first of May, yes.

19 Q And directing your attention to page 33 of the pdf, did  
20 you sign this document?

21 A Yes.

22 Q And signing on behalf of the NRA was Mr. Phillips?

23 A That's correct.

24 Q What was the purpose of WBB Investments, LLC?

25 A Well, there's a story behind it. I don't know if you want

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1 the story, but the purpose --

2 Q Well --

3 A -- the direct purpose was to purchase a house.

4 MR. WANG: Okay. And, Your Honor, I'd like to offer  
5 New York Attorney General Exhibit 130 into evidence.

6 MR. MASON: No objection.

7 THE COURT: NYAG 130 is in.

8 (NYAG Exhibit 130 admitted into evidence)

9 BY MR. WANG:

10 Q In connection with this WBB Investments, LLC, did there  
11 come a time when Mr. LaPierre requested a meeting to discuss  
12 this?

13 A Yes.

14 Q When did that occur?

15 A I want to say the end of April, the first of May.  
16 Probably the first of May.

17 Q And where did that meeting take place?

18 A In our Dallas office.

19 Q And can you describe -- who attended that meeting?

20 A Wayne LaPierre, Susan LaPierre, Woody Phillips, Angus  
21 McQueen, Melanie Montgomery, Brandon Winkler, Bill Winkler --  
22 and did I say Revan McQueen?

23 Q Yes.

24 A That was it.

25 Q And what, in general, was discussed at this meeting?

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1 A Well, a lot of things were discussed. It started with --  
2 when I sat down -- Angus called and asked me to come to Dallas  
3 to talk with him and Wayne.

4 When I sat down in the room, I almost didn't  
5 recognize Wayne. He -- whatever was going on with him, he was  
6 extremely scared about something, all the way to the point  
7 where he was in a disguise.

8 He was saying he couldn't go to his house. He didn't  
9 know -- you know, he didn't know where he was going to be safe.

10 Q And as -- as a result of that meeting, what happened next?

11 A Well, it was interesting, because we were talking about,  
12 well, we probably need to figure out how to get a house for you  
13 or a place where you can go that nobody knows you live there.

14 I only found out later that they had already gone  
15 house shopping and found a house.

16 Q And where was that house located?

17 A In Dallas.

18 Q I'm going to ask you open up -- or for Mr. Mason to assist  
19 me with sharing NYAG 131.

20 Mr. Winkler, are you familiar with this document?

21 A Yes.

22 Q What is it?

23 A It was the original invoice that we sent to the NRA for  
24 their investment in WBB.

25 Q Do you know if the NRA paid this invoice?



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1 A Yes, they did.

2 Q Do you know what the \$70,000 was intended to cover?

3 A The down payment and closing costs for the house.

4 MR. WANG: Your Honor, I offer New York A.G. Exhibit  
5 131 into evidence.

6 MR. MASON: No objection.

7 THE COURT: NYAG 131 is in.

8 (NYAG Exhibit 131 admitted in evidence)

9 BY MR. WANG:

10 Q Do you know, Mr. Winkler, what was the anticipated cost of  
11 the property that the LaPierres wanted to purchase?

12 A Approximately \$600,000.

13 Q I'm sorry. What did you say was the anticipated cost of  
14 the property that the LaPierres wanted to purchase?

15 A Approximately -- I'm sorry. Approximately \$6 million.

16 Excuse me. I was off by a zero. Approximately \$6 million.

17 Q And -- and did, in fact, WBB Investments, LLC, purchase  
18 the \$6 million home for the LaPierres?

19 A No, we did not.

20 Q Why not?

21 A As the email trail and as it was progressing, I reviewed  
22 an email from -- I think it was Susan LaPierre to Melanie  
23 Montgomery where it was saying things that they wanted in the  
24 house.

25 And there was one line at the end of it that they

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1 wanted a social membership at the country club.

2 MR. WANG: Mr. Mason, if I would ask you for  
3 assistance one more time. Can you open up New York A.G.  
4 Exhibit 96, please.

5 BY MR. WANG:

6 Q So this is a multi-page document, so we will move around a  
7 little bit in it, Mr. Winkler. But just for this first page,  
8 do you recognize this document?

9 A Yes.

10 Q What is it?

11 A This was the list of things that Melanie had talked to  
12 Susan about that Susan wanted to get as part of the -- she  
13 wanted to keep these things in the house as part of the offer.

14 MR. WANG: And can you move to the second page,  
15 please, Ms. Johnston? And just blow up the top for now,  
16 please, Ms. Johnston.

17 BY MR. WANG:

18 Q And this was the list of items that you were describing,  
19 Mr. Winkler?

20 A That's correct.

21 MR. GARMAN: Your Honor -- Your Honor, I object.  
22 This constitutes the same hearsay that Mr. Mason was objecting  
23 to earlier.

24 THE COURT: Response?

25 MR. WANG: Your Honor, if I may?

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1 THE COURT: You may. You may.

2 MR. WANG: Your Honor, this is a business record.

3 This is an email between Melanie Montgomery and Mr. Winkler  
4 discussing a business transaction contemplated by their -- by  
5 Ackerman McQueen in connection with their client relationship  
6 with the NRA.

7 THE COURT: Sustained. I sustain the objection.

8 MR. WANG: I could not hear the judge.

9 THE COURT: I sustained the objection. The objection  
10 is sustained.

11 BY MR. WANG:

12 Q Mr. Winkler, you said you -- you did not pursue this  
13 transaction after having that meeting; is that correct?

14 A That's correct.

15 MR. WANG: You can take down the exhibit.

16 BY MR. WANG:

17 Q What was the reason for Ackerman McQueen deciding not to  
18 partake in this transaction?

19 A Part of what Susan LaPierre was requesting was a social  
20 membership in a golf club. And that meant that the  
21 confidentiality and the security, everything that they were  
22 looking for, it just wasn't correct. You couldn't have a  
23 membership in a golf club and people not know where you lived.

24 MR. WANG: I have no further questions for this  
25 witness. I pass the witness.

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1 THE COURT: Thank you, Mr. Wayne.

2 Mr. Taylor, does the Journey Group have any questions  
3 of Mr. Winkler?

4 MR. TAYLOR: No, Your Honor. We do not.

5 THE COURT: Mr. Drake? Or, excuse me. Mr. Strubeck?

6 MR. HENDRIX: This is Mr. Hendrix.

7 No questions from the Committee, Your Honor.

8 THE COURT: Thank you, Mr. Hendrix. I'm sorry I  
9 skipped over you to get to Strubeck.

10 All right. Mr. Garman?

11 MR. GARMAN: Yes, sir. Your Honor, if I might have  
12 30 seconds, just to organize my documents.

13 THE COURT: Get yourself organized.

14 (Pause)

15 CROSS-EXAMINATION

16 BY MR. GARMAN:

17 Q Mr. Winkler, we haven't met. Good afternoon.

18 A Good afternoon.

19 Q As the designated representative, you sat through Mr.  
20 Makris's questioning, correct?

21 A Yes, sir.

22 Q All right. Well, you're going to know some of the  
23 questions I have then. Let me begin with a few he didn't know  
24 the answer to.

25 Isn't it true that the National Rifle Association

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1 constituted the largest client of Ackerman McQueen?

2 A They were one of the largest. In the final year, yes,  
3 they were probably deemed to be the largest, but over the  
4 years, there were other clients that were larger.

5 Q Okay. And in the final year of the contract with the  
6 National Rifle Association, what percentage of Ackerman  
7 McQueen's revenue did that relationship represent?

8 A I can only guess, because I don't have the numbers in  
9 front of me. Probably -- probably 35 percent, somewhere, maybe  
10 40 percent.

11 Q Okay. And, unfortunately, since that relationship  
12 terminated, Ackerman McQueen has been forced to close a number  
13 of offices, including the D.C. office, the Dallas office, and  
14 one in Colorado, right?

15 A Well, we're in the process. D.C. is closed. Colorado is.  
16 We're still trying to sublet the space due to COVID. We lost  
17 the tenant that was in there. And Dallas, due to COVID, we  
18 haven't been able to find a tenant yet.

19 Q But the operations of Ackerman McQueen have closed in  
20 those cities?

21 A We still have some employees in each of those cities, but,  
22 yes, for all practical purposes, yes, they're closed.

23 Q Okay. I'd like to talk about the monthly invoice that is  
24 sent -- was sent to the National Rifle Association. I don't  
25 believe you had -- what is it? NYAG 131. I think I understand

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1 that you don't have the ability to open that up.

2 A I don't, but I'm going to save you time. On a lot of the  
3 invoicing, I really wasn't that involved on the invoicing  
4 themselves -- on the invoices themselves.

5 I know a lot about the out-of-pockets, and I know a  
6 lot about the audits, but I don't necessarily know on the  
7 monthly invoices.

8 Q Sure. But I want to talk about the document that counsel  
9 put in front of you, and that is Exhibit 134 for the record.  
10 We're going to try to screen shot it.

11 MR. MASON: And, Mr. Garman, I can have somebody jump  
12 in there really quick to see if I can get him back up and  
13 running if you want me to do that. You just let me know.

14 MR. GARMAN: I'm going to try and be as efficient as  
15 you were and get through this. I appreciate that. If we need  
16 it, I'll ask you, but thanks, Mr. Mason.

17 BY MR. GARMAN:

18 Q Mr. Winkler, do you remember testifying about this  
19 document --

20 A Yes.

21 Q -- this Exhibit 134?

22 A Yes, sir, I do.

23 Q And on it, you know, this -- this document that was placed  
24 in front of you, I think by the NYAG, this identifies \$151,000  
25 and change of out-of-pocket expenses, correct?

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1 A That's correct.

2 Q But there is no backup that's transmitted with this  
3 document to National Rifle Association to show what the  
4 \$151,000 represents; isn't that correct?

5 A That's correct.

6 Q So the only way that the National Rifle Association can  
7 identify what constitutes this number is to make an information  
8 request or audit your files, right?

9 A That's correct.

10 Q Okay. And isn't that really the heart of the dispute we  
11 talk about in 2018 is that you were sending invoices with lump  
12 sum amounts and the National Rifle Association was asking you  
13 for the backup?

14 A No. I -- I -- once again, I don't know the -- you're  
15 trying to include all invoices.

16 We did actually change the out-of-pocket job at their  
17 request, and it went away.

18 Q No. Yeah, yeah. I understand. But -- but through --  
19 through 2018 and the course correction, this is all they got,  
20 right? They got a single piece of paper that said, we had out-  
21 of-pocket expenses, and you are to pay this amount within 30  
22 days, correct?

23 A That's correct.

24 Q Okay. When the NRA contacted you and said, "Can you  
25 provide the backup?" -- you can take this down -- why didn't

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1 you just provide the backup?

2 A Once again, the -- we had confidentiality and security  
3 directives from Wayne. Once we realized that those were no  
4 longer in place, we did accommodate the request.

5 Q But you'll agree with me that the contract between the  
6 parties requires you to make this information available, right?

7 A Yes.

8 Q Okay. And you'll agree with me that that contract doesn't  
9 say unless Wayne requests otherwise, right?

10 A Actually, there is a provision in the contract that Wayne  
11 -- Wayne has to be the designee who tells us what he wants to  
12 see.

13 Q Okay. So let's turn to the contract, then. It's Exhibit  
14 12, sir. And that's NRA 278.

15 Sir, do you have this document in front of you, or do  
16 we need to show it to you?

17 A You're going to need to show it to me.

18 Q Okay. So can we -- so at the outset, showing you the top  
19 of the first page -- I'm sorry, it might be a little clunky  
20 here with it on the screen -- can you identify this as the  
21 services agreement between the NRA and Ackerman McQueen?

22 A Yes.

23 Q Okay. And are you aware of what an integration clause is  
24 in a contract?

25 A I'm sorry. I'm not.



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1 MR. GARMAN: Okay. Can you turn to page 9, Dylan,  
2 Section 10(d)?

3 BY MR. GARMAN:

4 Q In your capacity as CFO, you review and enter into many  
5 contracts, correct, sir?

6 A That's correct.

7 Q Can you read that paragraph (d) in the middle of the page  
8 that says "Integrated agreement" for me? You can read it to  
9 yourself.

10 A Okay. Yes. I've read it.

11 Q So you'll agree with me that this agreement entered into  
12 in April of 2017 says that this is the agreement between the  
13 parties, it supersedes all previous agreements, and this is  
14 going to constitute the terms of the relationship, right?

15 A Yes.

16 Q Okay. Where in this agreement does it say that Mr.  
17 LaPierre can override the written terms of the contract?

18 A Okay. If I could scroll the agreement. There is no one  
19 area that says he can override it. The history of doing  
20 business, Wayne typically did direct us on how he wanted to see  
21 things billed.

22 Q Yeah, fair enough, and I'll accept that answer. So you're  
23 suggesting that the course of conduct between the parties was  
24 in one particular fashion, right?

25 A That's correct.

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1 Q But doesn't this integration provision, this paragraph (d)  
2 -- doesn't this paragraph (d) specifically say that it  
3 supersedes all prior agreements between the parties?

4 A Yes.

5 Q Okay. So this would be the binding agreement between the  
6 parties, regardless of what you had done in the past, right?

7 A That's correct.

8 Q And this is a contract that was entered into in April of  
9 2017, right?

10 A That's correct.

11 Q Okay. Can you turn to page 5, section 3?

12 Sir, can you -- can you look at this section 3(a),  
13 and I'll direct your attention to the second sentence that  
14 reads, All out-of-town travel expenses shall require prior  
15 written approval in accordance with the written procedures  
16 established by the NRA Executive Vice President or his  
17 designee.

18 Do you see that sentence?

19 A Yes.

20 Q Okay. And you're aware that the National Rifle  
21 Association had a written policy concerning travel, right?

22 A I would assume they would. I haven't seen it.

23 Q But are you aware that one exists?

24 A I would assume one exists. I just haven't seen it.

25 Q Fair enough. And then the last sentence of that section

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1 A, Expenses not listed above shall be considered to be normal  
2 business expenses of AMC and not billable to NRA unless  
3 specifically authorized in writing by the NRA Executive Vice  
4 President or his designee.

5 Do you see that language, sir?

6 A Yes.

7 Q Did the Executive Vice President or his designee ever  
8 provide you written instructions authorizing you to deviate  
9 from the policy otherwise set forth in this paragraph?

10 A No.

11 Q Did you comply with this section and obtain prior written  
12 approval in accordance with the procedures established by the  
13 NRA?

14 A Typically Wayne did not put things in writing, so we  
15 couldn't.

16 Q But, again, we've already agreed that this superseded the  
17 course of conduct, right?

18 A Well, I don't know that it superseded course of conduct.  
19 Course of conduct was continued even through this. What you --

20 Q So do you believe that the --

21 A Well, let me --

22 Q Sorry. I'm so sorry. Please finish.

23 A What you have to remember is if these sections were going  
24 to be enforced, they should not have accepted and paid our  
25 invoices. They should have notified us immediately that the

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1 policy was being enforced and changed.

2 Q So that's exactly the point I'm going to ask you about,  
3 which is the NRA, because they receive a single page invoice  
4 with a single line item that says out-of-pocket expenses would  
5 have no way of knowing that you didn't comply with the  
6 contractual agreement, right?

7 A That's correct.

8 Q Okay. And so the only way for them to understand whether  
9 you were abiding by the terms of the contract is, again, to  
10 make an information request or to conduct an audit, right?

11 A That's correct.

12 Q So in August of 2018, you receive a letter from the  
13 National Rifle Association asking for more detailed backup  
14 information, correct?

15 A Once again, I would have to look at that letter, but I  
16 think that's the gist of the letter.

17 Q Okay. I'm happy to show it to you if you'd like me to,  
18 sir.

19 A No, I -- I remember it was the beginning of the change in  
20 the policies.

21 Q Okay. And they ask to conduct an examination of AMC's  
22 files, books, and records pursuant to the service agreement,  
23 right, sir?

24 A That's correct.

25 Q And that request was made on August 8th?

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1 A That's correct.

2 Q I want to ask you the same question I asked Mr. Makris,  
3 which is, why didn't you give them access to the books and  
4 records instead of hiring a law firm to respond?

5 A We knew that the letters weren't coming from Woody, and he  
6 implied that they were coming from the NRA's legal counsel.  
7 And so -- and we had an accusation by Mr. Brewer that he had  
8 made through Angus's daughter. Angus -- we had to hire --  
9 actually hire counsel in New York to make sure that we had not  
10 done anything wrong for nonprofit law.

11 Q Okay.

12 A And so we believed that everything that came through, we  
13 needed to have legal counsel guiding us on from here on out.

14 Q Okay. Whether it's coming from Mr. Phillips or it's  
15 coming from some other representative of the NRA, that has no  
16 impact on whether or not you're obligated to produce these  
17 records under the contract, right, sir?

18 A Which is why we ultimately produced it.

19 Q That's not my question, sir.

20 Isn't it true that it doesn't matter who makes the  
21 request, you're still obligated to do this under the contract?

22 A Once again, this is where the Wayne designee comes into  
23 play, because if you look at the designee, that's the person  
24 that typically would have requested the information.

25 Q I understand it's typical, but do you believe that the

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1 contract says the only requests for information can come from  
2 Mr. Phillips?

3 A At the time, it probably wasn't clear what was going on,  
4 so I would have to say we were just unclear, especially after  
5 we talked with Woody.

6 Q All right. So your lawyers -- I'm sorry. Strike that.

7 So you hired the law firm of McDermott Will & Emery,  
8 right?

9 A That's correct.

10 Q And McDermott Will & Emery responds to the request, and  
11 they suggest that it would be best not to produce the  
12 documents, right?

13 A That's the gist of their letter, yes.

14 Q Why would it be best for the NRA not to receive the  
15 documents of backup for reimbursements that you were asking  
16 for?

17 A Once again, that would be a question for the attorneys. I  
18 can't answer that question, because I don't know why they would  
19 put that line in there.

20 Q All right. On August 22nd, when the McDermott Will &  
21 Emery letter was sent, do you believe that the best course of  
22 action of Ackerman McQueen was to produce the documents or  
23 refuse to produce the documents?

24 A To produce the documents.

25 Q Why didn't you do it that day?

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1 A I can't speak toward that day. I will tell you that it  
2 happened shortly thereafter.

3 Q By shortly, you mean months, right?

4 A No, it happened in September.

5 Q Okay. And when --

6 A They came in and audited in September. And that was --

7 Q Yeah.

8 A -- the Susan --

9 MR. MASON: Mr. Garman, can the witness please finish  
10 his answer?

11 BY MR. GARMAN:

12 Q So when those documents are produced, they're not  
13 complete, though, are they?

14 A They were complete for the records we have.

15 Q Right. But that doesn't mean they were complete, were  
16 they?

17 A Once again, complete in what regard? I never saw their  
18 audit report, so I can't tell you what they deemed to be  
19 complete or not complete.

20 Q Yeah, but, for instance, you were paying and passing  
21 through to the National Rifle Association a \$2 million contract  
22 for Mr. North, right?

23 A Yes.

24 Q And that document wasn't produced at any of these audits,  
25 was it?

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1 MR. MASON: Objection. Foundation.

2 THE COURT: Overruled. You may answer the question.

3 BY MR. GARMAN:

4 A I'm not sure -- I'm not sure on the Colonel North when the  
5 document was produced. I know that it was ultimately produced  
6 for their review, yes.

7 Q So, I --

8 A It was a little surprising to me, because -- because Wayne  
9 had negotiated with Colonel North, so I was very confused as to  
10 why there is an issue with that.

11 Q Okay. But as you sit here today, you cannot tell the  
12 Court that in that audit a \$2 million line item pass through  
13 contract was produced to the National Rifle Association for  
14 review, can you?

15 A They didn't ask for it.

16 Q You're suggesting that the document was not produced in  
17 the audit because it was not asked for?

18 A That's correct.

19 Q Okay. How about Mr. Makris's --

20 A Not because --

21 Q How about Mr. Makris's out-of-pocket backup expenses?  
22 They were not produced either.

23 A Yes, they were.

24 Q It total.

25 A What we had was produced. What we -- yeah --



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1 Q That's not the question.

2 A -- they were produced -- the detailed --

3 MR. MASON: Your Honor, can the witness please --  
4 please finish answering the questions?

5 THE COURT: Finish your answer, Mr. Winkler.

6 BY MR. GARMAN:

7 A Yes. The detail that we had was produced.

8 Q Right. But Mr. Makris's out-of-pocket expenses that had  
9 been actually reimbursed, those files were not complete, were  
10 they?

11 A If you're asking as to the detail that I would normally  
12 require for T&E, no.

13 Q Okay. And that's because Mr. Makris didn't comply with  
14 the T&E policy, did he?

15 A At the direction of the client, no.

16 Q You're suggesting that the client said Mr. Makris need not  
17 comply with the internal policies of Ackerman McQueen?

18 A That is correct.

19 Q So you're familiar with the internal Ackerman McQueen T&E  
20 policy, right, sir?

21 A Yes, sir.

22 Q And you would agree with me that in order to comply with  
23 IRS regulations, there's a minimum threshold of documentation  
24 that must be kept by the organization, right?

25 A Yes.

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1 Q Are you suggesting that Mr. LaPierre advised you and you  
2 relieved Mr. Makris of the internal policies and obligations to  
3 maintain that backup data?

4 A Not in those direct words as I'm going to violate IRS  
5 policy, but the directive was if Mr. Makris wants money for  
6 tips, then Mr. Makris gets money for tips.

7 Q Now, sir, that wasn't my question. My is is that did --  
8 outside of tips, did Mr. Makris otherwise provide sufficient  
9 backup evidencing his travel and entertainment to be compliant  
10 with IRS regulations?

11 A I -- I would say no, in reviewing it, but I think he met  
12 the client requirements.

13 Q Okay. When did Mr. LaPierre tell you that Mr. Makris need  
14 not provide backup data to support his out-of-pocket expenses?

15 A He would not have told me directly. He would have told me  
16 through Angus McQueen.

17 Q Okay. So as you sit here today, you have absolutely no  
18 personal knowledge that Mr. LaPierre ever made such a  
19 statement, do you?

20 A As to a direct conversation with Mr. -- with Mr. LaPierre,  
21 no. Indirect conversation, yes.

22 Q Well, and that conversation only goes through Mr. McQueen  
23 is what I understand your testimony to be?

24 A Yeah. Most things did, between Wayne and Angus. Almost  
25 all things financially went through the two of them.

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1 Q Yeah, okay. So in September, the National Rifle  
2 Association sends people to review the backup of Mr. Makris and  
3 it isn't in the files to the level that they can identify  
4 specific line items evidencing the amount that they paid,  
5 correct?

6 A Once again, I didn't see their audit report, so I don't  
7 know.

8 Q Yeah, but that didn't -- information didn't exist, did it?

9 A Well, Tony Makris had done expense reports. He had done  
10 line items. What he didn't do, as far as I'm concerned, he  
11 didn't put in a business purpose and he didn't always address  
12 that Mr. LaPierre was with him.

13 Q How would the National Rifle --

14 A He didn't give line items. I'm sorry.

15 Q How would the National Rifle Association know that there  
16 was, in fact, a business purpose to one of Mr. Makris's  
17 expenses if there was no detailed information provided?

18 A They would have to ask him.

19 Q In 2018, Mr. Spray joined the National -- the National  
20 Rifle Association, correct, sir?

21 A That's correct.

22 Q And I believe that you testified that Mr. Spray  
23 implemented -- I don't want to put words in your mouth, so I'm  
24 going to give you a chance to fix them. But I believe you said  
25 he implemented systems that you believe were appropriate or

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1 things that you had done in your own organization.

2 Do you recall that testimony?

3 A Yes.

4 Q And does that -- does that imply -- or doesn't that imply  
5 that prior to Mr. Spray, the National Rifle Association's  
6 internal controls were insufficient, at least as they related  
7 to Ackerman McQueen?

8 A Once again, I'm not familiar with it, but, yes, on the  
9 surface of what you said, yes, I would say they were  
10 insufficient.

11 Q Okay. I'd like to talk about the annual budgeting  
12 process. You would -- well, over the life of the 38 or 39  
13 years that the National Rifle Association and Ackerman McQueen  
14 engaged in commerce together, what is the aggregate --  
15 approximate aggregate amount of payment made to Ackerman  
16 McQueen?

17 A I got to tell you -- I will tell you when I came in 1983,  
18 the entire contract was \$10,000 a month, and it was that for  
19 many years.

20 I could not even estimate a guess over -- over that  
21 entire period. I mean, it's 39 years. But the client  
22 relationship evolved a great deal. The first years, obviously,  
23 were not as profitable as the last years.

24 Q In 2017, you'll agree with me that the contract paid  
25 Ackerman McQueen approximately \$40 million?

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1 A Revenues that came through would be \$40 million. Income,  
2 significantly less than that.

3 Q Okay. When we came to audit the files in September of  
4 2017, why were we prohibited from making copies?

5 A Once again, as I understood, it was the direction of  
6 Wayne. I -- Wayne and Tony had gotten together and they were  
7 talking. Once again, above my pay grade. I don't know why we  
8 weren't -- I could have cared less.

9 Q Do you have personal knowledge that Wayne LaPierre  
10 instructed Ackerman McQueen not to let the National Rifle  
11 Association make copies of the backup data?

12 A Not directly. Only through Angus and Tony. And the  
13 auditors obviously knew it. Somebody had said something to  
14 them, because they didn't demand it.

15 I'm sure if they had demanded it and it had come from  
16 Wayne that he wanted us to release it, we would have.

17 Q Well, sir, I'm going to move on.

18 And in the second audit that you testified occurred  
19 in November of '18, nothing had happened to round out the  
20 information that was available and to otherwise make Mr.  
21 Makris's missing data available for audit, right?

22 A Well, nothing had really occurred between the September  
23 and the -- most of Makris's travel had stopped at that time.  
24 Going back and updating Tony's records, we realized we just  
25 didn't go down that avenue, because we believed that the client

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1 had understood that it wasn't going to be there.

2 Q And in November of '18, again, Mr. North's contract that  
3 constituted a pass through was not made available to the  
4 auditors, correct?

5 A She didn't request that.

6 Q So only documents that were requested were made available?

7 A Yeah. That's typically how an audit works. They give you  
8 an audit sample. They request the backup to certain invoices  
9 and we provide it.

10 Q How about time records for your employees, sir? Those  
11 weren't provided either, were they?

12 A For the October, November?

13 Q Yeah.

14 A They weren't requested.

15 Q Okay. Were they requested in September? Or they were  
16 requested in September, right?

17 A Yeah. I -- and, once again, I think that they -- they got  
18 those. I think they got a summary of them. They didn't get  
19 the individual time sheets.

20 Q That's my question. You didn't provide the individual  
21 time records to the National Rifle Association, right?

22 A No, I think we just provided a summary schedule, yes.

23 Q Okay. Let's talk about that. So the billing procedures  
24 between Ackerman McQueen and the National Rifle Association are  
25 that a percentage of an employee's salary and overhead is

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1 charged to the National Rifle Association, correct?

2 A Okay, this is where I'm going to get back and explain to  
3 you the billing and budgeting I am not as familiar with as I am  
4 the other items, which is why Melanie Montgomery represented  
5 this end of the corporate rep section.

6 Q Okay. I understand, but you are the chief financial  
7 officer, right?

8 A Yes.

9 Q And in that role --

10 A I can give you sky high -- I can give you a sky high  
11 definition of it, but I can't -- I may not be able to answer  
12 some of your questions.

13 Q That's fair. That's fair. But let's talk about it from a  
14 high level.

15 A Okay.

16 Q The billing practices of Ackerman McQueen as they related  
17 to the National Rifle Association included provisions in which  
18 a percentage, up to 100 percent, of an Ackerman McQueen's  
19 salary and overhead were allocated to the NRA as a client,  
20 right?

21 A In some instances 100; in some instances 50; in some  
22 instances 30. It was different -- different percentages,  
23 depending on the job description.

24 Q Right. Right. And in order to audit that information and  
25 verify that, for instance, in the case of an employee who was

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1 allocated 100 percent to the National Rifle Association is not  
2 working on other clients for Ackerman McQueen, we would need to  
3 see the time records, wouldn't we?

4 A Yes.

5 Q And you understand we have actually alleged that Ackerman  
6 McQueen was deceptive in the allocation and employees who we  
7 were charged 100 percent for, we allege were, in fact,  
8 allocated to other clients of Ackerman McQueen, right?

9 A I have seen that allegation. I have not seen the  
10 calculation of it.

11 Q All right. In order to do due diligence to determine  
12 whether or not the billings that had been passed through to the  
13 National Rifle Association were accurate, don't you believe it  
14 to be a reasonable request that we would need to see the time  
15 records to ensure that they accurately reflect the contract  
16 terms between the parties?

17 A Yeah, I -- we typically would show them for just exactly  
18 that reason.

19 Q But you didn't show them to us in September or October or  
20 November of 2018, did you?

21 A I didn't do it in October. I'm not sure what they got to  
22 see in September. They didn't get the individual time sheets,  
23 but I do believe they got the summaries. And they didn't ask  
24 me for any drill-down information. They didn't ask me for the  
25 individual time sheets.



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1 But I do believe they got the -- I do believe they  
2 got the overall summary by -- by individual who worked on the  
3 business.

4 Q Right. But in an audit of detailed backup, a summary  
5 isn't of any value, is it?

6 A Well, the nature of how our accounting system works, the  
7 detail that people enter into their computer automatically goes  
8 to the summary. So the summary she would be looking at would  
9 have what their monthly or weekly detail would be.

10 Q Is it your testimony we should just trust your summary and  
11 that we should be prohibited from reviewing the underlying time  
12 sheets?

13 A No, I --

14 MR. MASON: Objection. Misstates his testimony.

15 THE COURT: Sustained.

16 BY MR. GARMAN:

17 A Once again, if somebody wants to come in and look at the  
18 time records --

19 THE COURT: Hold on. Hold on, Mr. -- Mr. Winkler.  
20 There is not a pending question.

21 BY MR. GARMAN:

22 Q Would you agree with me that the NRATV was a -- was a  
23 failure as a project for the National Rifle Association?

24 MR. MASON: Objection. Your Honor, I'm just going to  
25 object. Argumentative, and also relevance. I know that we've

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1 gone into some of these issues, but I don't know what NRATV has  
2 to do with the issues in this case.

3 THE COURT: Response, Mr. Garman?

4 MR. GARMAN: Yes, sir. So, Your Honor, I didn't open  
5 the door to the efficacy of Ackerman McQueen's services. Those  
6 have been opened by the last witness, predominantly, indicating  
7 that the Ackerman McQueen services were of great value. And,  
8 in fact, he said we've declined since -- since they fired us.

9 I'm asking questions to show that the NRA reasonably  
10 lost faith in Ackerman, and that was the basis for our  
11 termination in 2018.

12 THE COURT: Overruled. You may answer the question,  
13 sir.

14 BY MR. GARMAN:

15 A I'm sorry. I need you to ask the question again.

16 Q Would you agree with me that the -- that NRATV was a  
17 failure for the National Rifle Association?

18 A I'm not qualified to make that determination.

19 Q How much money did the National Rifle Association pay  
20 cumulative to Ackerman McQueen to produce NRATV?

21 A I'm sorry. I don't know that exact number, because there  
22 are so many different components to the billing.

23 Q Would you agree with me that it's a number that exceeds  
24 \$40 million?

25 MR. MASON: Objection. Calls for speculation and

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1 foundation. He just testified he doesn't know.

2 THE COURT: Overruled. You may answer the question.

3 THE WITNESS: I'm supposed to answer? Sorry.

4 THE COURT: You may answer.

5 BY MR. GARMAN:

6 A The answer is I don't know. I don't know.

7 Q Okay. Josh Powell. Do you recall testifying about Mr.  
8 Powell?

9 A Yes.

10 Q And I believe -- and, again, I'm not trying to put words  
11 in your mouth, so feel free to correct me. But I understand  
12 your testimony to be the Ackerman McQueen took the position  
13 that they -- that Ackerman McQueen would no longer work with  
14 Mr. Powell based upon his inappropriate conduct.

15 Do I essentially have that right?

16 A That's correct.

17 Q And Josh Powell is no longer with the National Rifle  
18 Association, is he?

19 A That's correct.

20 Q He was -- he was fired for his conduct, correct?

21 A That's correct.

22 Q And you understand that that decision was made by Mr.  
23 LaPierre?

24 A Yes.

25 MR. GARMAN: Your Honor, I'm trying to shorten, so if

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1 you could give me a few seconds here.

2 BY MR. GARMAN:

3 Q WBB Investments. Sir, do you recall testifying about WBB  
4 Investments?

5 A Yes, sir, I do.

6 Q At the end of the day, no house was ever purchased, was  
7 it?

8 A That's correct.

9 Q And, in fact, at the end of the day, the \$70,000 that the  
10 National Rifle Association wired was refunded in total,  
11 correct?

12 A They did not wire it. They actually sent a check. But,  
13 yes, it was refunded.

14 Q Oh, thanks for correcting me. But for the record, the  
15 National Rifle Association is out of pocket no money in  
16 connection with that transaction, right?

17 A That's correct.

18 Q Do you believe that Mr. LaPierre has legitimate security  
19 and privacy concerns, given his role at the National Rifle  
20 Association?

21 A Yes.

22 Q You agree that's a reasonable basis for Mr. LaPierre to  
23 fly private?

24 A Once again, I'm not qualified to give that answer one way  
25 or another.

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1 MR. GARMAN: Your Honor, I will represent that I am,  
2 in fact, skipping large sections, so if you would give me a  
3 brief indulgence.

4 THE COURT: Please skip.

5 (Pause)

6 BY MR. GARMAN:

7 Q Do you believe that the procedures and systems implemented  
8 by Mr. Spray and the NRA in 2018 were, in fact, defective at  
9 improving the NRA's internal controls?

10 A From I could see, yes.

11 Q I'd like to talk briefly about the April 22nd letters that  
12 you sent to a variety of individuals. Do you recall testifying  
13 about those?

14 A Yes.

15 Q All right. So, I would put this in front of you, but  
16 exhibits have gotten a bit clumsy. So let me know if you want  
17 to look at them, but we'll try and do this talking back and  
18 forth as a conversation.

19 A They're etched in my mind right now.

20 Q I suspect they are, sir.

21 So, first let's talk about the April 22nd letter you  
22 sent to Mr. LaPierre that I'll say was about the suits. Does  
23 that -- do you know what letter I'm referring to?

24 A Yes, sir.

25 Q Okay. You testified earlier that this was sent ten days

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1 after the NRA commenced a lawsuit against Ackerman McQueen,  
2 right?

3 A That's correct.

4 Q And I believe you said the letter was sent because --  
5 well, you needed the backup for the lawsuit. Did I get that  
6 right?

7 A That letter in particular wasn't sent because of the  
8 backup of the lawsuit. That letter was sent because of the  
9 question that the auditor asked, which the auditor asked were  
10 there any other gifts to Mr. LaPierre that did not get billed  
11 to the NRA.

12 Q Sure. Okay. What auditor are you referring to?

13 A Jessica Bradley.

14 Q Okay.

15 A She's with FRA. This is FRA.

16 Q Okay. Sir, I'm going to admit, I'm in danger here. I'm  
17 asking a question I don't actually know what the answer is.

18 What audit was occurring that -- that resulted in  
19 that conversation in this letter?

20 A It was the FRA audit in February of 2019.

21 Q Okay. So, do you know what part of February that was  
22 occurring in?

23 A I'm sorry. I want to say the middle of the month. It was  
24 --

25 Q That's fine.

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1 A -- over, like, five days. But, yeah, sometime in the  
2 middle of February.

3 Q Okay. So, April 22nd, give or take a month later, you  
4 send this letter to Mr. LaPierre asking for -- well, in your  
5 own words, what do you understand this letter to be doing?

6 A Requesting the -- kind of a listing of the items that he  
7 had purchased.

8 Q Okay. And those purchases date back to April of 2004,  
9 right?

10 A That's correct.

11 Q Why did it take 15 years to ask for this information?

12 A Because we never thought it was an issue. It had never  
13 been asked during an audit, and it was asked in an audit for  
14 the first time. And, once again, we were trying at that time  
15 to comply with anything the auditors requested.

16 So, it came from that, and it did actually go back to  
17 the very beginning, which was what the auditor asked, how long  
18 has this been going on?

19 Q And I'm sorry. I, again, genuinely don't know the answer  
20 to this question. Is that Ackerman McQueen's auditor, or is  
21 that an auditor that was sent in to review the books and  
22 records for the National Rifle Association?

23 A That was the auditor with FRA that was sent in by the NRA  
24 -- FRA, NRA -- and her name was Jessica Bradley.

25 Q Okay. And do you share my understanding that it was

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1 Ackerman McQueen who suggested and recommended to Mr. LaPierre  
2 that he buy this wardrobe for the purpose of television  
3 appearances?

4 A That is correct.

5 Q Okay. And Mr. LaPierre did do a TV show, right?

6 A Once again, I don't know whether he did or not.

7 Q Okay. But, to be clear, for the avoidance of doubt, the  
8 National Rifle Association did not pay for these suits?

9 A They did not, no.

10 Q Mr. -- same day, April 22nd, you send a letter to Mr.  
11 Schropp, right?

12 A That's correct.

13 Q Okay. And I'm not going to be repetitive of too much. I  
14 will be a little repetitive, but not too much, of the last  
15 witness's questioning.

16 At the time you sent Mr. Schropp this letter asking  
17 for information, this April 22nd letter, he hadn't been an  
18 employee of Ackerman McQueen in a decade, had he?

19 A That's correct.

20 Q Why is it that Ackerman McQueen didn't have in its files  
21 the information that you requested?

22 A Because Tyler Schropp was running NRA expenses through an  
23 Ackerman credit card, but he was not keeping -- obviously not  
24 keeping the receipts on the expenses he was expending.

25 Q Why didn't you ask him in real time for the backup that



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1 you had provided to him?

2 A Once again, in the course of doing business with a client,  
3 for confidentiality and security, I didn't necessarily want to  
4 know where Tyler was in case there was a problem.

5 Wayne was very clear when he did things like this  
6 that he wanted confidentiality and security. So, we gave Tyler  
7 a lot of -- we basically billed it through and expected him to  
8 maintain the records that would be required if they're ever  
9 required.

10 Q Sir, I'm (indiscernible) that answer for the following  
11 reason. Mr. Makris ran through many of his detailed -- some,  
12 but not all, of his detailed expense reimbursement documents,  
13 right?

14 A Yes.

15 Q And so Mr. Makris traveled with Mr. LaPierre, did he not?

16 A Yes.

17 Q Okay. So, Mr. LaPierre's location is already in your  
18 books, records, your files, your systems, right?

19 MR. MASON: Objection. Vague.

20 THE COURT: Do you want to just restate your  
21 question?

22 MR. GARMAN: Sure.

23 BY MR. GARMAN:

24 Q Mr. Makris's detailed T&E records on trips he was  
25 accompanying Mr. LaPierre were already in the files of Ackerman

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1 McQueen, correct?

2 A I -- I would say on the surface, yeah, that makes sense.

3 Q So how is it that there is an enhanced security problem by  
4 having Mr. Schropp submit similar information to what Mr.  
5 Makris sometimes submitted?

6 A You would have to ask Wayne what he was worried about.

7 Q So it's your -- well, let me ask this question. As you  
8 sit here today, do you have personal knowledge of Mr. LaPierre  
9 instructing that Mr. Schropp not submit such records to  
10 Ackerman McQueen?

11 A Not from Wayne, but from their annual audit, yes.

12 Q What does that mean from their annual audit?

13 A They came in and audited this category every year, and at  
14 no time did the auditors request that we tell Mr. Schropp to  
15 send his receipts to us.

16 Q So I understand that the auditors didn't instruct you to  
17 send the receipts, but how is that evidence of Mr. LaPierre  
18 providing instruction that such receipts should not be  
19 submitted?

20 A Well, I would have to assume that the auditors would go  
21 back and tell Mr. LaPierre that they had completed the audit  
22 and this is what they found.

23 Q So the total basis of your first answer is that assumption  
24 you just -- you just identified?

25 A Well, yes. The answer is I'm assuming that Wayne probably

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1 talked to Angus and this is where it came from.

2 But the other side of it is it's the -- we were  
3 billing it to the NRA. The NRA was coming in and doing an  
4 audit. At no time during the audit did the NRA say, we want  
5 you to get those receipts from Mr. Schropp, or, we want you to  
6 get the receipts from Gayle.

7 We just never received any instruction to do that,  
8 and so we didn't request it.

9 Q I -- I completely understand your answer, sir, that you  
10 didn't receive such an instruction. I'm going to ask you  
11 again. As you sit here today, you have no personal knowledge  
12 of a request by Mr. LaPierre to -- to not have such information  
13 submitted by Mr. Schropp, correct?

14 MR. MASON: Your Honor, I'm going to object to that.  
15 Asked and answered. I believe Mr. -- Mr. Winkler has already  
16 answered this question.

17 THE COURT: You may answer it one more time, Mr.  
18 Winkler.

19 BY MR. GARMAN:

20 A No, I do not, though, it's a little bit baffling to me,  
21 because the NRA, whether -- the NRA sent in the auditors. The  
22 NRA looked at the information. Wayne LaPierre was in charge of  
23 the NRA.

24 So I'm looking at it and saying to myself I'm not  
25 sure what we were supposed to have done differently to

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1 accommodate what our client's request was.

2 MR. GARMAN: Your Honor, I'd move to strike  
3 everything beginning with the words "No, it's a little bit  
4 interesting [sic]."

5 THE COURT: Sustained.

6 THE WITNESS: I was hoping I'd get one of those.

7 BY MR. GARMAN:

8 Q I'll try to get more, if you want them.

9 A Okay. I'm going to try not to do that.

10 Q Thank you, sir.

11 MR. GARMAN: Your Honor, if I might have 90 seconds  
12 to regroup with my team. I'm very, very close to being done,  
13 if not finished.

14 THE COURT: You may.

15 (Pause)

16 MR. GARMAN: Your Honor, my team tells me I didn't  
17 move 278, the services agreement, into evidence. I'd like to  
18 do so.

19 MR. MASON: Your Honor, I don't -- I don't have that  
20 document in front of me, but if it is, in fact, the services --  
21 a full copy of the services agreement, I, of course, have no --  
22 no objection to that.

23 THE COURT: And Mr. Winkler, I think, identified it  
24 right off -- right off the bat.

25 278 is in. That's NRA 278.

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1 (NRA Exhibit 278 admitted into evidence)

2 BY MR. GARMAN:

3 Q Last line of questioning. Oh, we don't have exhibits  
4 again.

5 I'm going to put another contract on the screen, sir.  
6 This is -- I'll represent to you this is -- this is NRA Exhibit  
7 1 for the Court and the other parties.

8 Sir, I will represent to you that this is a copy of  
9 the contract that was ultimately produced between Ackerman  
10 McQueen and Colonel North. Can you -- do you recognize this  
11 document?

12 A Yes, sir.

13 Q Okay. Can we scroll down to the signature page?

14 And for avoidance of doubt, do you recognize that to  
15 be Mr. Revan McQueen's signature?

16 A Yes, sir.

17 MR. GARMAN: Okay. Your Honor, I move to introduce  
18 Exhibit 280.

19 And for clarity, Your Honor, that's NRA Exhibit 280.

20 MR. MASON: Your Honor, I will reluctantly not  
21 object, although I don't think this document is relevant and  
22 it's just bringing up issues that may need to be addressed next  
23 week, but I will -- I will not object.

24 THE COURT: NRA 220 -- 280, excuse me, is in  
25 evidence.

1 (NRA Exhibit 280 admitted into evidence)

2 MR. GARMAN: Mr. Mason, I appreciate that, and I'll  
3 pass the witness.

4 THE COURT: This goes back to you, Mr. Mason.

5 MR. MASON: Your Honor, I do have a few questions,  
6 but in light of where we are today, I'd like to keep things  
7 moving. And so I think if we can let Mr. Winkler go, I've got  
8 no further questions.

9 THE COURT: Does anyone else have any questions of  
10 Mr. Winkler?

11 MR. WANG: Your Honor, the New York Attorney General  
12 does not.

13 THE COURT: Thank you.

14 Mr. Winkler, you've been sitting in here and hearing  
15 me talk to witnesses. I think you may be the first client rep  
16 that's testified, though, if memory serves me. So the rule is  
17 a little bit different for you. You can hear all the  
18 testimony, obviously, but you're not to speak to any witness  
19 about testimony.

20 Do you understand that?

21 THE WITNESS: Yes, sir. Yes, Your Honor, I do.

22 THE COURT: Okay. Thank you very much. You may  
23 stand down.

24 (Witness excused.)

25 THE COURT: All right. Ms. Connell, we have -- we're

1 going to go to around 6:00 o'clock tonight, which would mean  
2 that we've had almost nine hours of court time.

3 So how is it that you want to handle the next hour --  
4 hour or so?

5 MS. CONNELL: Your Honor, I think we should try and  
6 get done with Mr. Phillips, and we have a video clip which we  
7 could start with, which is 17 minutes long, or we could read in  
8 the designated portions and deal with objections, which I think  
9 is how Your Honor indicated you would prefer to proceed.

10 Either way is fine with us. If we read them in, I  
11 will ask the questions and Mr. Wang will play the part of Mr.  
12 Phillips.

13 THE COURT: I think the video clip ought to come  
14 after the objections have been ruled on so that my watching  
15 that is subject to the rulings already on the video.

16 All right. Do you know the exhibit numbers? I want  
17 the hard copy in front of me.

18 MS. CONNELL: Actually, I don't.

19 Brian, you marked it as an exhibit. Do you know that  
20 exhibit number?

21 I did, Your Honor, send a highlighted copy --

22 MR. MASON: For -- for Mr. Winkler?

23 THE COURT: It would be --

24 MS. CONNELL: No, no, no.

25 MR. MASON: I'm sorry. Mr. Phillips. It is Ackerman

1 Exhibit 110.

2 THE COURT: And are you saying --

3 MS. CONNELL: Your Honor, I did --

4 THE COURT: Yeah, I have a highlighted copy, you're  
5 saying, Ms. Connell?

6 MS. CONNELL: Yes. I emailed it earlier in the week  
7 to the Court and to the debtors, and it highlights just those  
8 remaining designations that we have.

9 I can resend it, perhaps, to Mr. -- to your clerks,  
10 Your Honor.

11 THE COURT: Could you just hold while we confab back  
12 here?

13 MS. CONNELL: Sure.

14 (Pause)

15 THE COURT: Could we just take about a five-minute  
16 recess or so, because I think it would be helpful just to look  
17 at the highlighted one, but I don't have that right in front of  
18 me. So, this will be the second and last recess.

19 Again, the intentions are to go, you know, around  
20 6:00, a little bit after if we need to.

21 MS. CONNELL: Certainly, Your Honor. And I can re-  
22 email it if that would make it easier. I think Mr. Van Horn  
23 had sent it.

24 THE COURT: I think Mr. Williams has it. Thank you  
25 very much.



1 All right. We'll be in recess for just a few  
2 minutes.

3 (Recess)

4 THE COURT: We'll go back on the record.

5 Let me pose one question to you all. It seems to me  
6 before we get to showing the video clip that we ought to have  
7 all of the designated parts of the deposition read into the  
8 record, so the NRA's Part 2 so that it's complete, then I'll be  
9 able to watch this subject to everything. Does that make sense  
10 to you?

11 MS. CONNELL: Yes, Your Honor.

12 MR. GARMAN: Your Honor, may I address that? Here's  
13 my concern is that -- so it's me again. I'm taking this cold.  
14 I haven't been able to look at the amended designations. I'm  
15 happy to do it in real time and object. However, as I said  
16 this morning, I need a chance to redesignate now because there  
17 are very likely portions that have been dropped that I may have  
18 deemed to be important. And so I will -- I'm sorry for this  
19 fact, but I will be unable to counter-designate in real time as  
20 we stand here right now.

21 THE COURT: Yeah. And I'm not -- I'm --

22 MS. CONNELL: Your Honor --

23 THE COURT: Go ahead, Ms. Connell.

24 MS. CONNELL: I'm sorry, sir. I didn't mean to speak  
25 over you.

1 THE COURT: It's okay.

2 MS. CONNELL: I wanted to be clear because I don't  
3 want there to be any confusion here. This highlighted version  
4 and the reduced designations that came with a chart that listed  
5 all of the NRA's objections and counter-designations earlier  
6 this week, really this was an effort to take into account the  
7 debtors' concerns about having time to put on their case in the  
8 time that the Court had allotted. And so we have really tried  
9 very, very hard to make sure we did not leave off any  
10 objections or designations.

11 And again, as I said, I would not object to any  
12 attempt by debtors to identify anything we designated but  
13 dropped in their case-in-chief.

14 THE COURT: All right.

15 Mr. Garman, do you want a little additional time to  
16 see what you want to redesignate or not?

17 MR. GARMAN: Yes, sir, I do, and I believe that it  
18 would be -- I believe that we should finish this before we play  
19 the video is my concern. But again, just to be clear, Counsel,  
20 I totally appreciate what you're trying to do and I'm  
21 appreciative of trying to streamline this. There are just  
22 probably things that you had initially designated that have  
23 been pulled out and I will want to go back now and redesignate.

24 And I believe that the designations should all occur  
25 as near contemporaneously as possible, so I don't think this is

1 necessarily something that I should just put in next week. I  
2 think, Your Honor, when you look at the video, you ought to  
3 have it with the full context of the testimony of the witness,  
4 which would include my counter-designations.

5 THE COURT: All right.

6 MS. CONNELL: One thing, though, I just wanted to  
7 highlight. Following the Court's direction, the video that  
8 we're going to play is not the entirety of the designated  
9 testimony. It is, as I believe was suggested by the email,  
10 just a segment to give the Court a sense of the witness.

11 THE COURT: And I think the United States Trustee  
12 started that conversation off by asking and I said --

13 MS. CONNELL: Yes.

14 THE COURT: -- that's sounds fine and I'd like to see  
15 the witness testify briefly. I think we go now through the  
16 designations by the Attorney General, at least, this afternoon,  
17 knowing that we're not going to finish the deposition of  
18 Mr. Phillips today. And I actually think in fairness to  
19 everyone that the viewing of the 17-minute portion should come  
20 after everybody has designated and gotten their part of the  
21 deposition in. All right.

22 So I now have the highlight in front of me.

23 MS. CONNELL: Okay. Thank you, Your Honor.

24 So I'm going to read from the video-taped deposition  
25 of Wilson H. Phillips, Jr., that was taken on March 19, 2021,

1 in these bankruptcy cases. The first designation comes at  
2 Page 15, Lines 11 through 14, and I'm sorry, that's one place  
3 where the highlighting was incomplete.

4 "Q Mr. Phillips, can you tell us your name please?"

5 "A Wilson Haywood Phillips, Jr."

6 "Q And your age?"

7 "A 72."

8 MS. CONNELL: The next designation is on Page 16.

9 "Q Mr. Phillips, you work for the National Rifle Association  
10 of America. Is that correct?"

11 "A Yes."

12 "Q And if I refer to that as the NRA, you'll know that I'm  
13 referring to the National Rifle Association of America."

14 "A Yes."

15 "Q Is that -- okay. Thank you.

16 "When did you begin to work for the NRA?"

17 "A 1992."

18 "Q And how did you come to work for the NRA?"

19 "A I had an interview and was hired."

20 "Q And what was your initial position?"

21 "A Treasurer."

22 MS. CONNELL: The next designation is on Page 18.

23 "Q Thank you.

24 "So when you were hired as treasurer, who did you report  
25 to?"

1 "A Wayne LaPierre."

2 "Q Did that ever change during the time that you worked at  
3 the NRA?"

4 "A No. No."

5 "Q Okay. So you were the CFO for the NRA. Is that correct?"

6 "A Correct."

7 MS. CONNELL: The next designation we jump to is  
8 Page 46. And for this segment that goes from 46 to Page 47,  
9 there was a debtor's objection, calls for speculation.

10 So I begin reading and I guess the debtors can  
11 interpose it where appropriate.

12 "Q Mr. Phillips, did there come a time when you left the  
13 NRA?"

14 "A Yes."

15 "Q How did that come about?"

16 "A I retired."

17 "Q Okay. When was that?"

18 "A It was 2018, fourth quarter."

19 "Q Around the time that you left the NRA, you signed a post-  
20 employment consulting contract. Is that correct?"

21 "A I decline to answer based on the privilege provided to me  
22 by the Fifth Amendment of the U.S. Constitution."

23 "Q Jonathan, can we pull up Tab 1? Maybe we'll have better  
24 luck with that."

25 "MR. CONLEY via Zoom: "Yes, I hope so."

1 "Q While we wait for Jonathan to pull that up, Mr. Phillips,  
2 whose idea was it to -- for you to enter into a consulting  
3 contract with the NRA?"

4 "Objection to form"

5 MR. GARMAN: Your Honor, this is where the debtors  
6 object to form.

7 THE COURT: Overruled.

8 MR. GARMAN: Your Honor, I assume you want to hear  
9 from me now. Is that how we'll do this?

10 THE COURT: Well, yeah. Go ahead. I'm sorry. I  
11 popped off there. Go ahead.

12 MR. GARMAN: Your Honor, here's my big concern, and  
13 I'm going to kind of lay it out up front.

14 In a footnote, the New York Attorney General  
15 identified that they may be seeking an inference for taking the  
16 Fifth. At the outset, I believe that if an inference is  
17 sought, that needs to be the subject of additional briefing for  
18 the Court to rule on it.

19 But here's my objection. My objection is, they're  
20 asking Mr. Phillips to speculate as to a third party and just  
21 the reason I'm so sensitive to this is the speculation and the  
22 form of the questions as to who third parties were, whose idea  
23 was it, these are the types of issues that implicate not only  
24 the Fifth Amendment but inferences and so this one might be a  
25 little tight.

1 But I say this at the outset so I don't have to say  
2 it every time. My objection is it calls for speculation  
3 because it may implicate an inference as it relates to a third  
4 party.

5 THE COURT: Thank you.

6 On that one, I'm going to --

7 MS. CONNELL: Your Honor --

8 THE COURT: -- overrule on that one. I understand  
9 there may be others coming.

10 "A I decline to answer based on the privilege provided to me  
11 by the Fifth Amendment of the U.S. Constitution."

12 MS. CONNELL: Okay. Your Honor, I would just point  
13 out that we are going to discuss in further questioning that  
14 post-employment contract that has been admitted into evidence.  
15 I believe it's NYAG Document 134.

16 MS. CONNELL: No, no, I'm sorry.

17 MR. GARMAN: Your Honor, we can't do this.

18 MS. CONNELL: No, no, I'm just putting -

19 MR. GARMAN: Your Honor, yeah, we can't do this. We  
20 can read the testimony. At least that's my judgment.

21 MS. CONNELL: We're going to read the testimony,  
22 Mr. Garman. I just wanted to clarify when we talk about  
23 Exhibit B, which is coming up, that we'll be referring to  
24 something that's in evidence under a different number. But if  
25 you'd like, we can wait for that.

1           So now, we're at Page 46.

2       "Q   Mr. Phillips, did there come a time when you left the  
3       NRA?"

4           MR. PHILLIPS:   We did this one already.

5           MS. CONNELL:   Oh, I'm sorry.   I'm sorry.

6           MR. PHILLIPS:   52, Ms. Connell.

7           MS. CONNELL:   Thank you, Mr. Phillips.   You're very  
8       helpful.

9       "Q   Exhibit B, please."

10       "A   Okay."

11           MS. CONNELL:   And Your Honor, this is the one that I  
12       indicated had been admitted as Exhibit NYAG 123.

13           "MS. EISENBERG via Zoom:   I --"

14           MR. GARMAN:   I'm terribly sorry to interrupt.

15           Your Honor, I don't know that.   I don't think there's  
16       any way for me to deal with representations of what exhibits  
17       are on the fly.   I really think that we need to do this at the  
18       end or I'm going to have to take a break every time there's a  
19       representation about an exhibit and go track it down.   I'm not  
20       trying to be difficult, but I don't know how to do this.

21           MS. CONNELL:   Your Honor, this designation has  
22       existed since the beginning of the trial.   We had a date for  
23       designation, date for objections and responses.   The exhibit --  
24       our exhibit list indicates and actually the exhibit, I think,  
25       says Phillips Exhibit B.   It was listed as that and so I'm



1 trying to make -- clarify. I'm happy to talk with Mr. Garman  
2 off line to resolve this since he's going to add additional  
3 designations. I was trying to clarify -

4 MR. GARMAN: Your Honor, just to respond. And again,  
5 I don't mean to be difficult. I don't mean to be difficult,  
6 but the way you actually designate testimony is you publish a  
7 certified copy. And that certified copy would have the  
8 exhibits attached to it. And so I'm not objecting to a number  
9 of improprieties in my opinion, which is we don't have a  
10 certified copy and the idea that trial counsel is actually  
11 reading the witness testimony in is something I've never  
12 experienced.

13 So I do want to work with the process, but this isn't  
14 how I've ever experienced it before. And if I had a certified  
15 copy of this document, I would have the exhibit in front of me.  
16 Here, I have to go track it down.

17 MS. CONNELL: Mr. Garman, as I said to you, we've  
18 tried to have discussions and resolve this. As I said to you,  
19 I'm happy to talk to you offline and we'll discuss how to deal  
20 with the exhibits so that you're more comfortable with it. I  
21 was trying to add clarity for the Court.

22 May I continue, Your Honor?

23 THE COURT: You may continue.

24 MS. CONNELL: Thank you, sir.

25 Okay.

1 "Q Exhibit B, please."

2 "A Okay."

3 "MS. EISENBERG via Zoom: I apologize I'm not seeing  
4 exhibit."

5 "A I have got this file type, cannot be previewed."

6 "Q Did you go -- did you go back and forth? If you go back  
7 and forth, what happens?"

8 "A It's -- okay. Wait. Because it -- yeah."

9 "Q Are you able to open it up? Is everybody able to open it  
10 up?"

11 "A It looks like I can open it."

12 "MS. EISENBERG via Zoom: I'm not able to access it,  
13 but I don't want to allow things -- to slow things down. So  
14 for the moment, I don't want it to be paused just for that  
15 reason. Thank you."

16 "I have it."

17 "Thank you, Svetlana. I appreciate it."

18 "Q Have you ever seen this document before, Mr. Phillips?"

19 "A I decline to answer based on the privilege provided to me  
20 by the Fifth Amendment of the U.S. Constitution."

21 "Q Mr. Phillips, if you page down to the final page -- the  
22 final two pages of this document, Bates Number NYAG00042332 and  
23 the following page, is your signature at the bottom of that  
24 page?"

25 "A I decline to answer based on the privilege provided to me

1 by the Fifth Amendment of the U.S. Constitution."

2 "Q Mr. Phillips, who is Pete Brownell?"

3 "A He was the president of the National Rifle Association at  
4 the time."

5 "Q When you say at the time, are you referring to May 2018?"

6 "A Yes."

7 "Q And that's the date on this contract. Is that correct?"

8 "A Yes."

9 "Q And who is Carolyn Meadows?"

10 "A She is the current president of the National Rifle  
11 Association."

12 "Q And she also signed this contract. Is that correct?"

13 "A Yes?"

14 "Q And Mr. Brownell signed this contract. Is that correct?"

15 "A Correct."

16 "Q Okay. I would like to go back to the first page of the  
17 contract, sir. To your knowledge, was a business case analysis  
18 performed for this contract?"

19 "A I decline to answer based on the privilege provided to me  
20 by the Fifth Amendment of the U.S. Constitution."

21 "Q Was it -- what is a business case analysis to your  
22 knowledge?"

23 "A I decline to answer based on the privilege provided to me  
24 by the Fifth Amendment of the U.S. Constitution."

25 MS. CONNELL: The next designation is further down on

1 Page 55, Line 19.

2 "Q Mr. Phillips, did you ever negotiate the terms of a post-  
3 employment contract with the NRA?"

4 "MS. EISENBERG via Zoom: Objection to form."

5 MR. GARMAN: Your Honor, I'm going to withdraw this  
6 objection.

7 THE COURT: Thank you, Mr. Garman.

8 "A I decline to answer based on the privilege provided to me  
9 by the Fifth Amendment of the U.S. Constitution."

10 "Q This contract indicates that it goes into effect  
11 December 31, 2018, but it was executed several months earlier  
12 in May. Why is that?"

13 "MS. EISENBERG via Zoom: Objection to form."

14 MR. GARMAN: Your Honor, I object to this for the  
15 limited purpose to the extent that it's calling for the witness  
16 to speculate as to why Mr. LaPierre or some other NRA party  
17 executed the agreement.

18 THE COURT: Response on that.

19 MS. CONNELL: Your Honor, Mr. Phillips signature is  
20 on this contract. I believe that he may have knowledge as to  
21 why it was executed or he may not. He was free to answer.

22 THE COURT: Overruled.

23 Go ahead Mr. Garman. I'm sorry, I ruled. But go  
24 ahead and maybe you can get (indiscernible).

25 MR. GARMAN: No, sir. No, sir.

1           To the extent that the only purpose for the testimony  
2 is Mr. Phillips, I have no objection.

3           THE COURT: Okay.

4           MR. GARMAN: So as counsel has represented it, I have  
5 no objection to that piece of testimony.

6           THE COURT: Thank you, Mr. Garman.

7 "A I decline to answer based on the privilege provided to me  
8 by the Fifth Amendment of the U.S. Constitution."

9 "Q If you look at Page 1 of the contract under Number 1, sub-  
10 number -- Subheading B and then Roman Numeral 2, it says,  
11 'Consultant will coordinate activities with the NRA's executive  
12 vice president, treasurer, and CFO, and the executive director,  
13 office of advancement, to build and maintain relationships with  
14 gift -- major gift donors, identify and cultivate relationships  
15 with fundraising partners, and identify prospective high net  
16 worth individuals to solicit for major gifts. Consultant will  
17 communicate periodically with NRA employees and officers, board  
18 members, and others, as deemed necessary in the performance of  
19 stated services.'

20           "Do you see that paragraph, sir?"

21 "A I do."

22 "Q Okay. Did you -- when it uses 'consultant,' do you know  
23 whether -- strike that. I'm sorry.

24           "Did you provide any of these services listed in this  
25 paragraph?"

1 "A I decline to answer --

2 "MS. EISENBERG via Zoom: Objection to form.

3 Objection. Form."

4 MR. GARMAN: Your Honor, I withdraw the objection.

5 THE COURT: Thank you, Mr. Garman.

6 "A -- based on the privilege provided to me by the Fifth  
7 Amendment of the U.S. Constitution."

8 "Q Did you ever provide an invoice to the NRA reflecting the  
9 performance of duties -- these duties after you retired from  
10 the NRA?"

11 "A I decline to answer --

12 "MS. EISENBERG via Zoom: Object to form."

13 MR. GARMAN: Withdraw the objection, Your Honor.

14 THE COURT: Thank you, Mr. Garman.

15 "A -- based on privilege provided to me by the Fifth  
16 Amendment of the U.S. Constitution."

17 "Q To your knowledge, was Mr. LaPierre aware of this  
18 contract?"

19 "A I decline to answer based on the privilege provided to me  
20 by the Fifth Amendment of the U.S. Constitution."

21 "Q Was Mr. Spray aware of this contract?"

22 "A I decline to answer based on the privilege provided to me  
23 by the Fifth Amendment of the U.S. Constitution."

24 "Q Were you ever paid for services performed under this  
25 contract?"

1 "A I decline to answer based on the privilege provided to me  
2 by the Fifth Amendment of the U.S. Constitution."

3 MS. CONNELL: The next segment is at Page 63, Line 6.

4 "Q Mr. Phillips, is this contract still in effect?"

5 "A I decline to answer based on the privilege provided to me  
6 by the Fifth Amendment of the U.S. Constitution."

7 "Q Have you spoken to Mr. LaPierre since you retired?"

8 "A Repeat that please."

9 "Q Have you spoken to Mr. LaPierre since you retired?"

10 "A Yes. I'm trying to. I'm confused on months and years  
11 now. But yes, I have."

12 "Q So how many times would you say you have spoken to  
13 Mr. LaPierre?"

14 "A I would say once or twice during the first quarter of  
15 2019."

16 "Q So following your retirement in the first quarter -- in  
17 2018, the first quarter of 2019, you spoke to him once or  
18 twice. Is that correct."

19 "A I don't know for sure. It could be more than that."

20 "Q When did -- what did you speak about?"

21 "A I decline to answer based on the privilege provided to me  
22 by the Fifth Amendment of the U.S. Constitution."

23 "Q Was it personal? Were the conversations about personal  
24 matters?"

25 "A I decline to answer based on the privilege provided to me

1 by the Fifth Amendment of the U.S. Constitution."

2 MS. CONNELL: The next segment is at Page 81,  
3 Line 10.

4 "Q Do you know Gayle Stanford."

5 "A I do."

6 "Q Who is she?"

7 "A She managed travel for the executive vice president."

8 "Q Was there another travel agent or travel consultant used  
9 for others within the NRA?"

10 "MS. EISENBERG via Zoom: Objection."

11 MR. GARMAN: Your Honor, one second.

12 THE COURT: Take your time.

13 MS. CONNELL: We're at Line 80 -- I mean, Page 81,  
14 Line 17, sir.

15 MR. GARMAN: Withdraw it.

16 THE COURT: Thank you.

17 "A Yes."

18 "Q Who is that?"

19 "MS. EISENBERG via Zoom: Objection."

20 MR. GARMAN: Your Honor, withdraw that objection  
21 also.

22 THE COURT: Thank you.

23 "A I don't know."

24 "Q So would it be fair to say most of -- most, if not all, of  
25 the other employees of the NRA used a different travel agent or



1 consultant than Ms. Stanford?"

2 "A Yes."

3 "MS. EISENBERG via Zoom: --"

4 MR. GARMAN: Your Honor, I do object here simply,  
5 again, to the extent that the witness is being asked to  
6 speculate as to what other employees do or don't do when it  
7 comes to travel.

8 THE COURT: Ms. Connell?

9 MS. CONNELL: Your Honor, Mr. Phillips was the  
10 treasurer and CFO of the NRA for 30 years. He certainly might  
11 have knowledge as to how employees booked their travel services  
12 and in fact said that he knows that there is another travel  
13 agency used by most employees.

14 THE COURT: Overrule the speculation objection.

15 "Q How did the NRA come to do business with Ms. Stanford?"

16 "MS. EISENBERG via Zoom: Objection."

17 MR. GARMAN: Your Honor, I believe there is a proper  
18 foundation objection here.

19 UNIDENTIFIED SPEAKER: There's an objection.

20 MS. CONNELL: Your -- oh, I'm sorry, Your Honor. If  
21 you want to hear from me, let me know.

22 THE COURT: Sure. Go ahead.

23 MS. CONNELL: At the beginning of this segment,  
24 Mr. Phillips indicated that he knew who Gayle Stanford was and  
25 that she managed travel agent for the executive vice president.

1 So it seems to me it's fair to ask if he knows how the business  
2 relationship came about.

3 THE COURT: Overruled.

4 "A I decline to answer based on the privilege provided to me  
5 by the Fifth Amendment of the U.S. Constitution."

6 "Q What work did Ms. Stanford do for the NRA?"

7 "MS. EISENBERG: Objection."

8 THE COURT: Same objection, Mr. Garman? Speculation?

9 MR. GARMAN: Yes. Your Honor, I'm going to withdraw  
10 this one.

11 THE COURT: Okay. Thank you.

12 "A I decline to answer based on the privilege provided to me  
13 by the Fifth Amendment of the U.S. Constitution."

14 "Q Did Gayle Stanford have companies through which she  
15 operated."

16 MS. CONNELL: All right.

17 "MS. EISENBERG: Objection."

18 MR. GARMAN: So Your Honor, I'm a bit embarrassed  
19 here to say that I just lost my place.

20 THE COURT: Page 82 --

21 MS. CONNELL: Line 16.

22 THE COURT: Yeah, Page 82.

23 MR. GARMAN: What line?

24 MS. CONNELL: 16.

25 MR. GARMAN: I'm sorry, Counsel. Please forgive me.

1 MS. CONNELL: No. It's understandable.

2 MR. GARMAN: Your Honor, I think from a technical  
3 basis, the question is overbroad, and so I'm simply worried  
4 about the scope of a potential inference. However, if we can  
5 reserve my concern about -- if we can preserve my concern about  
6 inferences to a later date at which we could brief these  
7 issues, I'm prepared to withdraw this one.

8 THE COURT: I'm not deciding inferences this  
9 afternoon. I'm just trying to get through the deposition.

10 Thank you.

11 MS. CONNELL: Your Honor --

12 I'm sorry.

13 THE COURT: The objection is withdrawn. Is that  
14 right?

15 MR. GARMAN: Withdrawn, Your Honor.

16 THE COURT: Okay.

17 "A I decline to answer based on the privilege provided to me  
18 by the Fifth Amendment of the U.S. Constitution."

19 "Q Have you ever heard of an entity called GS2?"

20 "A I decline to answer based on the privilege provided to me  
21 by the Fifth Amendment of the U.S. Constitution."

22 "Q Have you ever heard of an entity called II and IS?"

23 "A I decline to answer based on the privilege provided to me  
24 by the Fifth Amendment of the U.S. Constitution."

25 "Q Did you ever discuss -- excuse me. Strike that.

1 "Have you ever seen a bill from Ms. Stanford to the NRA?"

2 "A I decline to answer based on the privilege provided to me  
3 by the Fifth Amendment of the U.S. Constitution."

4 "Q Do you know whether Ms. Stanford billed for Mr. LaPierre's  
5 travel both the NRA and the NRA-ILA?"

6 "MS. EISENBERG: Objection."

7 MR. GARMAN: Your Honor, again, based upon my last  
8 comment, I'm willing to withdraw the objection provided I get  
9 another shot at making sure there's not an adverse inference  
10 here.

11 MS. CONNELL: Your Honor, may I just say one thing  
12 because I'd like to preserve this?

13 We have written down the objections that the NRA --  
14 that the debtors had lodged to the designated sections. This  
15 section had no objection as many of the sections didn't. And  
16 at no point previously has the NRA raised an issue regarding  
17 the adverse inference the Court may make in the civil  
18 proceeding.

19 So I would say that that was not preserved. But  
20 that's something obviously we'll have to take up later. I just  
21 want to preserve our position on that.

22 THE COURT: That's fine. We're just trying to get  
23 through the deposition this afternoon and whatever the  
24 inferences are from it will come afterwards.

25 MS. CONNELL: Thank you.

1           So I think we're at, if I'm correct, at Line 16?

2           THE COURT: Yeah.

3       "A I decline to answer based on the privilege provided to me  
4 by the Fifth Amendment of the U.S. Constitution."

5       "Q To your knowledge, is Mr. LaPierre aware of this billing  
6 arrangement."

7           MR. GARMAN: Your Honor, I do support the objection  
8 here because it calls for this witness to speculate as to  
9 Mr. LaPierre's knowledge.

10          THE COURT: That one is overruled because it is as to  
11 his knowledge, was he aware.

12       "A I decline to answer based on the privilege provided to me  
13 by the Fifth Amendment of the U.S. Constitution."

14       "Q How did the NRA pay Ms. Stanford?"

15           "MS. EISENBERG via Zoom: Objection."

16           MR. GARMAN: I withdraw the objection, Your Honor.

17           THE COURT: Thank you.

18       "A I decline to answer based on the privilege provided to me  
19 by the Fifth Amendment of the U.S. Constitution."

20       "Q Do you know whether Ms. Stanford was paid a monthly fee?"

21           "MS. EISENBERG via Zoom: Objection."

22           MR. GARMAN: Withdraw the objection, Your Honor.

23           THE COURT: Thank you.

24       "A I decline to answer based on the privilege provided to me  
25 by the Fifth Amendment of the U.S. Constitution."

1 "Q Do you know who negotiated Ms. Stanford's monthly fee?"

2 MR. GARMAN: Withdraw the objection, Your Honor.

3 THE COURT: Thank you.

4 "A I decline to answer based on the privilege provided to me  
5 by the Fifth Amendment of the U.S. Constitution."

6 "Q Did you ever negotiate Ms. Stanford's monthly fee?"

7 "A I decline to answer based on the privilege provided to me  
8 by the Fifth Amendment of the U.S. Constitution."

9 "Q Did you ever speak to Ms. Stanford about the amount of her  
10 fee?"

11 "A I decline to answer based on the privilege provided to me  
12 by the Fifth Amendment of the U.S. Constitution."

13 "Q Were invoices from Ms. Stanford to the NRA directed to the  
14 office of the treasurer?"

15 "MS. EISENBERG via Zoom: Objection."

16 MR. GARMAN: I withdraw the objection, Your Honor.

17 THE COURT: Thank you.

18 "A I decline to answer based on the privilege provided to me  
19 by the Fifth Amendment of the U.S. Constitution."

20 "Q Were invoices from Ms. Stanford directed to any  
21 subdivision within the office of the treasurer?"

22 "MS. EISENBERG via Zoom: Objection."

23 MR. GARMAN: Yes, ma'am, I was just looking at it.  
24 I'm going to withdraw that one.

25 THE COURT: Thank you.

1 "A I decline to answer based on the privilege provided to me  
2 by the Fifth Amendment of the U.S. Constitution."

3 "Q Who was authorized to use Ms. Stanford to make travel  
4 arrangements?"

5 "MS. EISENBERG: Objection."

6 MR. GARMAN: Sorry. I was on mute.

7 I withdraw the objection, Your Honor.

8 THE COURT: Thank you.

9 "A I decline to answer based on the privilege provided to me  
10 by the Fifth Amendment of the U.S. Constitution."

11 "Q Did you ever direct Ms. Stanford as to how to bill for the  
12 travel arrangements she booked?"

13 MR. GARMAN: I withdraw the objection.

14 "A I decline to answer based on the privilege provided to me  
15 by the Fifth Amendment of the U.S. Constitution."

16 "Q Did you ever advise Ms. Stanford on what entity she should  
17 bill to?"

18 "A I decline to answer based on the privilege provided to me  
19 by the Fifth Amendment of the U.S. Constitution."

20 "Q Do you know someone named Lisa, I always get this wrong,  
21 Supernaugh?"

22 "A Supernaugh."

23 "Q Supernaugh. I never get that -- I'll never get that  
24 right. Do you know someone named Lisa Supernaugh?"

25 "A I do."

1 "Q Who is that?"

2 "A She was -- she was my assistant for a number of years.  
3 She has had other roles."

4 "Q To your knowledge, did Ms. Stanford direct her invoices to  
5 the NRA to Ms. Supernaugh?"

6 "MS. EISENBERG: Objection."

7 MR. GARMAN: Withdraw the objection.

8 THE COURT: Thank you.

9 "A I decline to answer based on the privilege provided to me  
10 by the Fifth Amendment of the U.S. Constitution."

11 "Q Did you direct that Ms. Stanford be paid a flat monthly  
12 fee?"

13 "A I decline to answer based on the privilege provided to me  
14 by the Fifth Amendment of the U.S. Constitution."

15 "Q Did you ever direct that Ms. Stanford be paid -- excuse  
16 me, strike that.

17 "Did you ever direct Ms. Stanford to submit some of her  
18 invoices through Ackerman McQueen?"

19 "A I decline to answer based on the privilege provided to me  
20 by the Fifth Amendment of the U.S. Constitution."

21 "Q Was Mr. LaPierre aware that Ms. Stanford was paid a  
22 monthly fee?"

23 "MS. EISENBERG: Objection."

24 MR. GARMAN: Your Honor, I do believe this is  
25 objectionable as it calls for the witness to speculate.



1 THE COURT: Sustained.

2 MS. CONNELL: So Your Honor, Lines 9 through 14 would  
3 come out?

4 THE COURT: It would. Thank you.

5 MS. CONNELL: Thank you, sir.

6 "Q Was Mr. LaPierre, to your knowledge aware of how  
7 Ms. Stanford billed for her travel consulting services?"

8 MR. GARMAN: Your Honor, that's the same objection.

9 THE COURT: Overruled.

10 MS. CONNELL: Your Honor, here, it's limited --

11 THE COURT: I overruled it.

12 MS. CONNELL: Thank you, sir.

13 "A I decline to answer based on the privilege provided to me  
14 by the Fifth Amendment of the U.S. Constitution."

15 "Q Was Ms. Stanford directed by either you or Mr. LaPierre to  
16 follow any particular policy or procedure with respect to her  
17 booking?

18 MR. GARMAN: Your Honor, this is an objection to  
19 whether the witness is competent or is speculating as to  
20 whether Mr. LaPierre gave instructions to Ms. Stanford.

21 THE COURT: Response on that one?

22 MR. GARMAN: (Indiscernible)

23 THE COURT: Did you want to respond to that,  
24 Ms. Connell?

25 MS. CONNELL: Your Honor, this is just a question as

1 to whether he knows. He's the CFO. He might know how -- he  
2 should know how billing was directed and how and why  
3 Ms. Stanford invoiced in a particular way.

4 THE COURT: I'll sustain the objection. That's for  
5 Line 22 through 3 on the following page.

6 "Q Did Ms. Stanford provide underlying documentation to the  
7 NRA to substantiate her invoices?"

8 "MS. EISENBERG: Objection."

9 MR. GARMAN: Withdraw the objection, Your Honor.

10 "A I decline to answer based on the privilege provided to me  
11 by the Fifth Amendment of the U.S. Constitution."

12 "Q Do you know -- have you ever seen one of Ms. Stanford's  
13 invoices?"

14 "A I decline to answer based on the privilege provided to me  
15 by the Fifth Amendment of the U.S. Constitution."

16 "MS. CONNELL via Zoom: One second, Jonathan, can we  
17 open up Tab -- what is Tab 22 for us? I think it will be  
18 Exhibit D."

19 And this -- the questioning resumes on Page 89,  
20 Line 10.

21 "Q Do you see this document, sir?"

22 "A I do."

23 "Q Do you know what it is?"

24 "A I decline to answer based on the privilege provided to me  
25 by the Fifth Amendment of the U.S. Constitution."

1 "Q Do you know whether this is a typical invoice of the type  
2 Ms. Stanford would issue to the NRA?"

3 MR. GARMAN: Your Honor, here I --

4 "MS. EISENBERG: Objection."

5 MR. GARMAN: Your Honor, here I object in that the  
6 only foundation that was laid is do you see this document, sir.  
7 And Mr. Phillips testified he sees the document. There is no  
8 other foundation laid.

9 MS. CONNELL: Your Honor, I believe that we will  
10 show, and I'll provide when we discuss with Mr. Garman, the  
11 exhibit number of admitted exhibit that is Ms. Stanford's  
12 invoice and that I would have questioned on it further if he  
13 did not take the Fifth Amendment or invoke his Fifth Amendment  
14 rights on this. So I think this one, if we could put a pin in  
15 it and deal with the exhibit.

16 MR. GARMAN: Your Honor, I'd ask for your -- okay -

17 THE COURT: Go ahead, Mr. Garman.

18 Mr. Garman, go ahead and finish.

19 MR. GARMAN: I was simply going to say I'd like a  
20 ruling and if we want to revisit it, we can revisit it. But I  
21 think at this stage, there was no foundation and now I'm  
22 snatching victory out of the -- or defeat out of the jaws of  
23 victory.

24 MS. CONNELL: Well, Your Honor, I would just say that  
25 Mr. Phillips operated the treasurer's office. He was the

1 treasurer of the NRA and he was responsible to some extent for  
2 the money going in -- coming in and going out of the NRA's  
3 coffers and invoicing should be in his wheelhouse. So to  
4 present him with an admitted document that's an example of a  
5 type of invoice and to have him take the Fifth goes to the  
6 heart of some of the allegations that we've made that  
7 Ms. Stanford testified about already which is that she was  
8 directed by Mr. Phillips and Mr. LaPierre as to how to invoice  
9 to the NRA. And when he was presented with a sample invoice,  
10 he took the Fifth Amendment.

11 THE COURT: And the question is whether this is a  
12 typical invoice. Is that right?

13 MS. CONNELL: Yes.

14 THE COURT: Overruled.

15 "A I decline to answer based on the privilege provided to me  
16 by the Fifth Amendment of the U.S. Constitution."

17 MS. CONNELL: Thank you.

18 I think the next designation is Page 1 --

19 MR. GARMAN: Ms. Connell, I think you skipped the  
20 last one -- 89, 23.

21 MS. CONNELL: Oh, I'm sorry. Excuse me. Thank you.

22 MR. GARMAN: That's okay.

23 "Q Sir, do you know whether at any time while you worked at  
24 the NRA, it had a policy for reviewing Mr. LaPierre's travel  
25 expenses?"

1 "A I decline to answer based on the privilege provided to me  
2 by the Fifth Amendment of the U.S. Constitution."

3 MS. CONNELL: Thank you.

4 Now, on to Page 21, Line 21.

5 MR. WANG: 121.

6 MS. CONNELL: Page 121, Line 21.

7 MR. GARMAN: Counsel, could you give me one second?

8 MS. CONNELL: Sure, certainly.

9 And, Mr. Garman, I had re-emailed, again, the  
10 highlighted transcript for you.

11 MR. GARMAN: I do have it. Thank you for doing that.

12 I'm just flipping the actual pages and they're  
13 starting to -- I'm slow. I'm ready now. Thank you.

14 MS. CONNELL: Thank you.

15 "Q Sir, are you familiar with a person named David Stanton?"

16 "A I decline to answer based on the privilege provided to me  
17 by the Fifth Amendment of the United States Constitution."

18 "Q Whether you even know Mr. Stanton, you're asserting the  
19 Fifth -- you're asserting the privilege against that question?"

20 "MR. WERBNER via Zoom: If you know. If you know."

21 MS. CONNELL: Mr. Werbner, I'll represent to the  
22 Court, is Mr. Phillips' attorney.

23 "A I think I know David with a different last name."

24 "Q Do you know someone -- do you know someone who is known as  
25 David McKenzie?"

1 "A I do."

2 "Q Okay. And who is David McKenzie?"

3 "A He's a Hollywood producer and kind of does television  
4 shows and those types of things."

5 "Q Okay. When did you first meet Mr. McKenzie?"

6 "A Many years ago."

7 "Q Can you estimate when?

8 "Was it before you worked for the NRA?"

9 "A No, no. Probably 25 years ago."

10 "Q In what context did you meet Mr. McKenzie?"

11 "A In the context of him working to produce some events for  
12 the National Rifle Association."

13 MS. CONNELL: Your Honor, at the next page, Page 123,  
14 is a counter-designation by the NRA, which we have inserted  
15 beginning at Line 2 and continuing through Line 16.

16 "Q So let's break that down. I don't expect you to list  
17 every event. Can you give me an idea of the kind of events he  
18 produced?"

19 "A One was -- the biggest annual one was a celebrity shooting  
20 event, like, weekend filming Hollywood celebrities shooting  
21 sporting clays, target practices, etcetera."

22 "Q And that -- when you say -- I believe you said he produced  
23 shows. What shows did he produce?"

24 "A I'm trying to remember the names. There was American  
25 Hunter, American Adventurer, and I'm trying to think of the

1 most recent one's name, but it's slipping my mind."

2 "Q Did he produce Crime Strike?"

3 "A That's it. Yes."

4 MS. CONNELL: The next designation is at Page 124,  
5 Line 12.

6 "Q Did you ever meet Mr. McKenzie socially or interact with  
7 Mr. McKenzie socially?"

8 "A I decline to answer based on the privilege provided to me  
9 by the Fifth Amendment of the United States Constitution."

10 MS. CONNELL: I'm sorry, Your Honor.

11 "MS. CONNELL via Zoom: One second. I'm going to try  
12 and lower my shades because it feels like I'm on a microscope  
13 stand right now. Just give me one second.

14 "There we go. Thank you."

15 "Q Have you ever participated in any of Mr. McKenzie's  
16 celebrity retreats?"

17 "A I decline to answer based on the privilege provided to me  
18 by the Fifth Amendment of the United States Constitution."

19 "Q Have you ever traveled with Mr. McKenzie?"

20 "A I decline to answer based on the privilege provided to me  
21 by the Fifth Amendment of the United States Constitution."

22 "Q Have you ever been in one of Mr. McKenzie's homes?"

23 "A I decline to answer based on the privilege provided to me  
24 by the Fifth Amendment of the United States Constitution."

25 "Q Do you know why Mr. McKenzie is known by two names, David

1 Stanton and David McKenzie?"

2 "A I don't."

3 "Q Okay. Have you ever been on a boat owned by

4 Mr. McKenzie?"

5 "A I decline to answer based on the privilege provided to me  
6 by the Fifth Amendment of the United States Constitution."

7 MS. CONNELL: The next designation, Your Honor, is  
8 Page 126, Line 9.

9 "Q Do you know whether Mr. LaPierre knew Mr. McKenzie?"

10 "A I decline to answer based on the privilege provided to me  
11 by the Fifth Amendment of the United States Constitution."

12 "Q Are you aware of any time Mr. LaPierre spent on a yacht  
13 owned by Mr. McKenzie?"

14 "A I decline to answer --

15 "MS. EISENBERG via Zoom: Objection."

16 MR. GARMAN: Your Honor, I'm going to withdraw the  
17 objection.

18 THE COURT: Thank you.

19 "A -- based on the privilege provided to me by the Fifth  
20 Amendment of the U.S. Constitution."

21 "Q Mr. Phillips, you're aware of the NRA by-laws, correct?"

22 "A Yes."

23 "Q And while you were treasurer, did you ever read the NRA  
24 by-laws?"

25 "A I decline to answer based on the privilege provided to me



1 by the Fifth Amendment of the United States Constitution."

2 MS. CONNELL: The next designation is at Page 134,  
3 Line 4.

4 "Q Have you ever heard of an entity called MMP?"

5 "A Yes."

6 "Q What's that?"

7 "A I think it stands for Membership Marketing Partners."

8 "Q Okay. How about an entity named Conquered or Concord?  
9 I'm not sure how we're pronouncing it?"

10 "A Yes."

11 "Q And what is that?"

12 "A It had a different role, but it's still part of Membership  
13 Marketing."

14 "Q So it's part of Membership Marketing Partners?"

15 "A Well, it was a brother or sister in Membership Marketing."

16 "Q What about Allegiance Creative?"

17 "A Same."

18 "MS. EISENBERG via Zoom: Objection."

19 MR. GARMAN: Your Honor, I think that the question is  
20 vague and ambiguous. I'm not quite sure what is being asked of  
21 Allegiance Creative.

22 MS. CONNELL: Your Honor, the witness had just  
23 testified that Concord was a brother, sister corporation, or an  
24 affiliated corporation to Membership Marketing Partners. I  
25 then asked him about Allegiance Creative and he indicated the

1 same. And if you see in the next question, I think I add some  
2 clarity by asking whether when you say same, you mean it was  
3 affiliated with Membership Marketing Partners.

4 THE COURT: Overruled.

5 MR. GARMAN: Your Honor, based on that, I'll withdraw  
6 the objection.

7 THE COURT: Thank you.

8 "Q When you say same, you mean it was affiliated with  
9 Membership Marketing Partners?"

10 "MS. EISENBERG: Objection."

11 MR. GARMAN: Withdrawn.

12 "A Yes."

13 "Q Do you know who owns a controlling interest in all those  
14 entities?"

15 "MS. EISENBERG via Zoom: Objection."

16 MR. GARMAN: It's vague, but I'm going to --  
17 withdrawn.

18 "A Either David or Laura McKenzie or Stanton."

19 "Q Okay. And who is Laura McKenzie or Stanton?"

20 "A She is David McKenzie's wife."

21 "Q Okay. Where is MMP headquartered?"

22 "MS. EISENBERG: Objection."

23 MR. GARMAN: Withdrawn.

24 "A I don't know the answer to that."

25 "Q Do you know whether it's located at the same address as

1 the NRA headquarters."

2 "MS. EISENBERG via Zoom: Objection."

3 MR. GARMAN: Withdrawn.

4 "A I don't know the answer to that."

5 "Q How about Concord?"

6 "MS. EISENBERG via Zoom: Objection."

7 MR. GARMAN: Withdrawn.

8 "Q Do you know where it's located?"

9 "A No."

10 "Q Do you know where Allegiance Creative is located?"

11 "A No."

12 "Q Do you know who Gurney Sloan is?"

13 "A I do."

14 "Q Who is that?"

15 "A I don't know his title, but he runs Membership Marketing  
16 Partners."

17 "Q Do you know whether he also runs Concord?"

18 "A I do not."

19 "Q Do you know whether he also runs Allegiance Creative?"

20 "A I do not."

21 "Q Have you ever been to the offices of either Membership  
22 Marketing Partners, Concord, or Allegiance Creative?"

23 "MS. EISENBERG via Zoom: Objection."

24 MR. GARMAN: It's a compound question, Your Honor.

25 MS. CONNELL: He answers the question, Yes, Your

1 Honor, and then when we go on to describe the visit, I think it  
2 becomes clear that these three entities are located in the same  
3 place.

4 THE COURT: Overruled.

5 "A Yes, I have."

6 "Q And where did you go to visit those offices?"

7 "MS. EISENBERG via Zoom: Objection."

8 MR. GARMAN: I'm sorry. I was on mute. Withdrawn.

9 "A In the NRA headquarters."

10 "Q Does -- do these entities have a lease with the NRA?"

11 "MS. EISENBERG via Zoom: Objection."

12 MR. GARMAN: Withdrawn.

13 "A I presume so."

14 "Q Do you know who negotiated the lease?"

15 "A I don't know."

16 "Q Do you know how much they pay the NRA?"

17 "MS. EISENBERG via Zoom: Objection."

18 MR. GARMAN: Withdrawn.

19 "A I don't -- I don't know."

20 "Q Were all three entities located in the same offices that  
21 you visited?"

22 "A I don't know where they were located."

23 "Q You indicated that you had visited some offices that were  
24 located in the NRA headquarters, so I'm talking about that."

25 "A Yes."

1 "Q Why don't you describe that visit to me? Was it one visit  
2 or more than one?"

3 "A What period of time are you talking about?"

4 "Q Any period of time. I'm trying to find out if you were  
5 ever in the officers of MMP, Concord, or Allegiance Creative."

6 "A It was more than one."

7 "Q Okay. How many times would you estimate?"

8 "A In a year, three or four times."

9 "Q Okay. And during what time period would you make these  
10 visits?"

11 "MS. EISENBERG via Zoom: Objection."

12 MR. GARMAN: Your Honor, I do object. I believe the  
13 witness and the questioner are talking past each other. The  
14 witness says approximately how many times he would visit during  
15 the year and I only object as to vagueness and I've talked  
16 myself into withdrawing it.

17 THE COURT: Okay. Thank you. I think the witness  
18 was a little bit confused too by the question, so.

19 "A I'm not sure -- I'm not sure what you mean by that."

20 "Q Well, like, did you visit them in 2018?"

21 "A No.

22 "Q 2017?"

23 MR. GARMAN: Withdrawn.

24 "A Maybe."

25 "Q 2016?"

1 "MS. EISENBERG via Zoom: --"

2 MR. GARMAN: Withdrawn.

3 "MS. EISENBERG: -- Objection."

4 MR. GARMAN: I'm sorry.

5 "A Maybe."

6 "Q How far back do you think it would go? I could keep  
7 going. 2015?"

8 "A I don't remember. I can't remember when they were formed.

9 "Q Okay."

10 "A They were the principal -- they were the principal  
11 fundraiser for the organization."

12 "Q They were the principal fundraiser for the NRA?"

13 "A Witness nods affirmative."

14 "Q So their offices were located within the NRA headquarters,  
15 correct?"

16 "A Yes."

17 "MS. EISENBERG via Zoom: Objection."

18 MR. GARMAN: Your Honor, I do object to a vague  
19 question. I have no idea what entity we're talking about in  
20 that question.

21 MS. CONNELL: Your Honor, we've been talking about  
22 the three affiliated entities that Mr. Phillips was kind enough  
23 to testify about, MMP, Allegiance Creative, and Concord.

24 THE COURT: Overruled.

25 "A Yes."

1 "Q And were those offices, to your knowledge, offices just  
2 for MMP or are they offices for all three entities?"

3 "MS. EISENBERG via Zoom: Objection."

4 MR. GARMAN: Withdrawn.

5 "A I don't know."

6 "Q Was there a sign on the door?"

7 "A No."

8 "MS. EISENBERG via Zoom: Objection."

9 MR. GARMAN: To be honest, I'll withdraw it. I don't  
10 know what it is.

11 "Q I'm sorry, sir. I couldn't hear you."

12 "A I said no. I don't think so."

13 "Q When you -- do you know how many people work within the  
14 office that you described visiting?"

15 "A I don't know."

16 "Q Did you see -- did you see separate -- separation? Like,  
17 did there seem to be multiple entities operating within that  
18 office? Or did it seem to be one unified office?"

19 "MS. EISENBERG via Zoom: Objection."

20 MR. GARMAN: I'll withdraw it.

21 "A It wouldn't be noticeable if they were separate."

22 "Q Okay. Gurney Sloan worked there. Is that correct?"

23 "MS. EISENBERG via Zoom: Objection."

24 MR. GARMAN: This is a foundation objection, Your  
25 Honor.

1 MS. CONNELL: I believe that he had already testified  
2 to knowing who Gurney Sloan was, Your Honor.

3 THE COURT: Do you know where that --

4 MR. GARMAN: I haven't seen that.

5 THE COURT: Do you know where that is?

6 MS. CONNELL: It was in one of the statements we just  
7 read. One second and I'll point it out to you.

8 THE COURT: Okay.

9 MR. WANG: 135, Line 24 and 25.

10 THE COURT: Overruled.

11 "Q Okay. And Gurney Sloan worked there. Is that correct?"

12 "A Yes."

13 "Q Do you know whether the NRA ever looked at how much money  
14 it paid MMP, Concord, and Allegiance versus how much money  
15 those entities raised for the NRA?"

16 "MS. EISENBERG via Zoom: Objection."

17 MR. GARMAN: Withdrawn.

18 "A I decline to answer based on the privilege provided to me  
19 by the Fifth Amendment of the United States Constitution."

20 "Q Do you know whether the NRA ever paid MMP, Allegiance,  
21 Concord, or ATI Members above and beyond that which was called  
22 for in a contract with those entities?"

23 MR. GARMAN: Withdrawn.

24 "A I decline to answer based on the privilege provided to me  
25 by the Fifth Amendment of the United States Constitution."



1 MS. CONNELL: The next designation, Your Honor, is at  
2 Page 141, Line 14.

3 "Q Have you heard of an entity called WBB Investments?"

4 "A It's familiar, but I don't -- it doesn't ring a bell yet."

5 "Q Did you ever -- in 2018, did you ever -- did you enter  
6 into an agreement with Mr. Winkler, CFO of Ackerman McQueen, to  
7 form a company called WBB Investments?"

8 "MS. EISENBERG via Zoom: Objection."

9 MR. GARMAN: Your Honor, I believe that there's no  
10 foundation for the question as he said he wasn't familiar with  
11 WBB Investments.

12 MS. CONNELL: Your Honor, I go on to present to him  
13 the WBB agreement that was signed by him, as we just heard from  
14 Mr. Winkler, and ask him questions based upon that.

15 MR. GARMAN: And Your Honor, respectfully, that  
16 doesn't cure the defect to this question.

17 MS. CONNELL: Your Honor, if we were to hold that  
18 there was no foundation for a question because someone invokes  
19 the Fifth, then someone could avoid answering any question by  
20 merely invoking the Fifth Amendment. He's being asked whether  
21 he entered into an agreement to purchase a home to purchase  
22 real estate using a shell company in Ackerman McQueen. I would  
23 propose in violation of the by-laws and is refusing to answer.

24 He's trying to block inquiry into this. I think  
25 we're entitled to hear the questions asked and his answer and

1 the Court can take an inference from it should it so desire.

2 MR. GARMAN: And Your Honor, not to drag this out too  
3 long, but he testified on Line 16 and Line 17, it doesn't ring  
4 a bell yet.

5 MS. CONNELL: Right, Your Honor. So we -- that's why  
6 I go ahead and show him the exhibit and ask him about it.  
7 Again, the Court can take the evidence that it has. WBB  
8 Investments contract and operating agreement signed by  
9 Mr. Phillips and by Mr. Winkler is in evidence. And I believe  
10 that this witness's indication of the Fifth here is meaningful.

11 THE COURT: Is Exhibit J that you're coming to, is  
12 that the contract?

13 MS. CONNELL: Yes, sir.

14 THE COURT: I sustain the objection.

15 MS. CONNELL: I'm sorry, Your Honor. I'm going  
16 through to take a look at questions based on Exhibit J to see.

17 THE COURT: Well, I think you're going to show him  
18 but right now, I don't think there's foundation, but you're  
19 going to show him. Just start at 25.

20 MS. CONNELL: Okay.

21 "Q Do you know whether WBB was formed in connection with a  
22 planned acquisition of a house in Dallas for Mr. LaPierre?"

23 "MS. EISENBERG: Objection."

24 MR. GARMAN: Your Honor, the same objection. He  
25 testified he didn't know what WBB was.

1 THE COURT: Overruled.

2 "A I decline to answer based on the privilege provided to me  
3 by the Fifth Amendment of the United States Constitution."

4 "Q Do you know why the purchase of a house in Dallas was  
5 being contemplated?"

6 "MS. EISENBERG: Objection."

7 MR. GARMAN: I'll withdraw that.

8 "A I decline to answer based on the privilege provided to me  
9 by the Fifth Amendment of the United States Constitution."

10 "MS. CONNELL via Zoom: Jonathan, can you bring up  
11 what we had as Tab 12?"

12 "MR. CONLEY via Zoom: It should be Exhibit J --  
13 Exhibit J, Mark."

14 "MS. CONNELL via Zoom: Thank you."

15 "Q Mr. Phillips could you please take a look at this document  
16 for a second and let me know when you're ready?"

17 "A I'm trying to get there. Exhibit J, right?"

18 "Q Yes, please. Have you ever seen this document before,  
19 sir?"

20 "A I decline to answer based on the privilege provided to me  
21 by the Fifth Amendment of the United States Constitution."

22 "Q If you look at the second to last page of this document,  
23 could you tell me whether that's your signature affixed to it?"

24 "A Trying to get to it. Just a moment."

25 "Q Sure."

1 "A I decline to answer based on the privilege provided to me  
2 by the Fifth Amendment of the U.S. Constitution."

3 "Q This agreement provides, and you can look at the last page  
4 if you need to refresh your recollection. This agreement  
5 provides that the NRA will make a capital contribution of  
6 \$6,500,000 for a 99 percent stake and DJ -- an entity called DJ  
7 Investments will make a contribution of \$10 for a 1 percent  
8 stake. How did you arrive at those terms?"

9 "MS. EISENBERG via Zoom: Objection."

10 MR. GARMAN: Your Honor, it's a foundation objection.  
11 The witness -- there's no foundation laid that he negotiated  
12 the terms.

13 THE COURT: Ms. Connell?

14 MS. CONNELL: Your Honor, as the questioning  
15 continues, he actually answers some questions about the terms  
16 of the contract.

17 MR. GARMAN: Doesn't mean he negotiated it.

18 MS. CONNELL: Sir, he signed the contract, so if he  
19 can discuss the terms of the contract and explain them, I think  
20 that's sufficient -- that should be sufficient foundation.

21 THE COURT: Overruled.

22 "Q May I please ask the Court Reporter to read the question  
23 back?"

24 "Record read."

25 "MS. EISENBERG: Objection."

1 "A I decline to answer based on the privilege provided to me  
2 by the Fifth Amendment of the United States Constitution."

3 "Q Sir, could you look at the final page of this document?"

4 "MS. EISENBERG via Zoom: Ms. Connell, do you mean  
5 the last page before the signature or the last page of the  
6 PDF?"

7 "MS. CONNELL via Zoom: I mean the last page of the  
8 PDF."

9 "MS. EISENBERG via Zoom: Thank you very much."

10 "A So the exhibit or the last page?"

11 "Q It says Exhibit A, names, initial capital contributions,  
12 units, and percentage interest of members. Do you see that  
13 page?"

14 "A I do."

15 "Q And it says names and addresses of members. And under  
16 that, there's the NRA attention Chief Financial Officer. Is  
17 that correct?"

18 "Is that correct, Mr. Phillips? That's what it says?"

19 "A I'm looking."

20 "Q Sorry."

21 "A Yes, I see it."

22 "Q Okay. Next to it, it says capital contributions. Is that  
23 correct?"

24 "A That's correct."

25 "Q And what is the amount of capital contribution for the NRA

1 in Schedule A listed in this document?"

2 "A \$6,500,000."

3 "Q And if you go all the way to the right, what percentage of  
4 interest would that --"

5 "A 95."

6 "MS. EISENBERG via Zoom: Objection."

7 MR. GARMAN: Your Honor, I don't have the exhibit in  
8 front of me, but I'll withdraw it.

9 THE COURT: Thank you.

10 "Q Thank you.

11 "In regard to DJ Investments, do you see where they're  
12 listed under the name and address of members?"

13 "A Yes."

14 "Q Next to it, what is -- what does schedule -- what does  
15 Exhibit A indicate that DJ Investments, LLC, capital  
16 contribution is?"

17 "A Ten dollars."

18 "Q And if you go all the way to the right, what would its  
19 percentage of interest be?"

20 "A One percent."

21 "Q Okay. Do you know how the NRA arrived at those terms?"

22 "A I decline to answer based on the privilege provided to me  
23 by the Fifth Amendment of the United States Constitution."

24 "Q What was the purpose of this agreement?"

25 "MS. EISENBERG via Zoom: Objection."

1 MR. GARMAN: Withdrawn.

2 "A I decline to answer based on the privilege provided to me  
3 by the Fifth Amendment of the United States Constitution."

4 "Q Was this contract formed for the purchase -- in connection  
5 with the purchase of a house for Mr. LaPierre?"

6 "MS. EISENBERG via Zoom: I'm sorry. I couldn't hear  
7 the question. There was a connectivity issue. I apologize."

8 "Q Was this contract formed for the purpose of purchasing a  
9 house for Mr. LaPierre?"

10 "MS. EISENBERG via Zoom: Objection."

11 MR. GARMAN: Withdrawn.

12 "A I decline to answer based on the privilege provided to me  
13 by the Fifth Amendment of the United States Constitution."

14 "Q Mr. LaPierre testified that Angus McQueen offered to buy a  
15 property in Dallas that he and Susan could use occasionally as  
16 a safe house. Is that true?"

17 "MS. EISENBERG via Zoom: Objection."

18 MR. GARMAN: Yes, Your Honor. That's a hearsay  
19 objection.

20 MS. CONNELL: Your Honor, I'm stating a statement of  
21 testimony by a party opponent and asking the witness to affirm  
22 whether that's accurate.

23 THE COURT: Overruled.

24 "A I decline to answer based on the privilege provided to me  
25 by the Fifth Amendment of the United States Constitution."

1 "Q Mr. LaPierre also testified that he cancelled the deal  
2 when he became aware that Mr. McQueen expected the NRA to pay  
3 for the safe house. Is that true?"

4 "MR. WERBNER via Zoom: Same objections."

5 MR. GARMAN: Your Honor, it's the same objection, but  
6 I do want to be clear. They can offer Mr. LaPierre's statement  
7 as a party admission. However, what they're asking is they're  
8 asking whether this witness agrees with the hearsay statement  
9 and I don't believe that affirmation of a hearsay statement is  
10 admissible.

11 THE COURT: I don't think his testimony --  
12 Mr. LaPierre's testimony is going to be hearsay, so overruled.  
13 "A And I decline to answer based on the privilege provided to  
14 me by the Fifth Amendment of the United States Constitution."

15 MS. CONNELL: The next designation is at Page 148,  
16 Line 23.

17 "Q Mr. Phillips, if you can please look at what has been  
18 marked as Exhibit K, it is an invoice from WBB Investments  
19 addressed to you. Have you ever seen this document before?"

20 MS. CONNELL: And Your Honor, I'll represent that  
21 this document was introduced this afternoon through  
22 Mr. Winkler.

23 "A I decline to answer based on the privilege provided to me  
24 by the Fifth Amendment of the United States Constitution."

25 "Q Do you know whether the NRA paid this invoice?"



1 "A I decline to answer based on the privilege provided to me  
2 by the Fifth Amendment of the United States Constitution."

3 MR. GARMAN: Counsel, I'm sorry.

4 MS. CONNELL: Yeah, I see that --

5 MR. GARMAN: I want to make sure --

6 MS. CONNELL: I see that by accident, the designation  
7 stopped early. His answer wasn't included. So I would either  
8 ask --

9 MR. GARMAN: That's fine.

10 MS. CONNELL: -- to be permitted to have until Line 9  
11 if that's acceptable.

12 MR. GARMAN: Your Honor, I have no objection to  
13 including the answer.

14 MS. CONNELL: Thank you so much, Mr. Garman. I  
15 appreciate it.

16 The next designation is at Page 152, Line 13. I'm  
17 sorry, Line 12.

18 "Q If you direct your attention, Mr. Phillips, to Line --  
19 beginning Line 4 of this transcript, Exhibit A, you'll see a  
20 question saying, 'Was the check -- the check -- was the check  
21 ever cashed, the \$70,000 check for earnest money?'"

22 "A And the answer is, you know Woody and I don't know why he  
23 did it or how he got talked into it. It -- when I was on the  
24 road before I got back and before I told him it couldn't  
25 happen, they somehow convinced Woody to send 70,000 or

1 something earnest money check and that I don't think was ever  
2 cashed. I think it was returned."

3 "Q Okay."

4 "A That's the entire true story."

5 "Q Is this an accurate depiction of what happened?"

6 "MS. EISENBERG via Zoom: Objection."

7 MR. GARMAN: One second, Your Honor.

8 MS. CONNELL: Your Honor, that's a quote from Wayne  
9 LaPierre's transcript that I was reading from.

10 MR. GARMAN: So Your Honor, I do object to the extent  
11 we're reading in testimony and asking this witness to affirm  
12 its accuracy. If he's (indiscernible) asked whether this  
13 testimony -- I'm sorry. Let me start over.

14 Your Honor, I object to reading in a synopsis of  
15 someone else's testimony and then asking this witness to affirm  
16 it.

17 MS. CONNELL: Your Honor, if I may respond. I did in  
18 the interest of cutting down the deposition, designations, and  
19 perhaps I should have had to all the way up at Line 1, because  
20 I wanted to omit some colloquy, which is a lot of colloquy. I  
21 start on Page 311 in Mr. LaPierre's testimony and then I read  
22 beginning at Line 4 of the transcript, which is Exhibit A to  
23 Mr. Phillips deposition.

24 And it is reading a question and answer as to  
25 Mr. LaPierre's version of how the WBB Investments payment went

1 out and what happened to it and how it was returned.

2 Mr. Phillips was alleged to have been by Mr. LaPierre  
3 intimately involved in that. In fact, he was alleged to somehow  
4 have done it on his own. And I asked Mr. Phillips if that's an  
5 accurate description of what occurred.

6 MR. GARMAN: Your Honor, I'll withdraw the objection.

7 THE COURT: Thank you.

8 "A I decline to answer based on the privilege provided to me  
9 by the Fifth Amendment of the United States Constitution."

10 "Q Did you issue a \$70,000 check in response to the invoice  
11 that we discussed?"

12 "A I decline to answer based on the privilege provided to me  
13 by the Fifth Amendment of the United States Constitution."

14 MS. CONNELL: The next designation is at Page 179,  
15 Line 3.

16 "Q I'm going to move on to a different topic. I would like  
17 to ask you some questions about the NRA's relationship with  
18 Ackerman McQueen, Mr. Phillips.

19 "You know what, if I ask you have you ever heard of the  
20 entity, Ackerman McQueen, I assume the answer is yes?"

21 "A Yes."

22 "Q Okay. Thank you.

23 "During -- and the NRA had a business relationship for  
24 some time with Ackerman McQueen. Is that correct?"

25 "A Yes."

1 "Q Okay. During the NRA -- strike that.

2 "During the time you were treasurer, Ackerman McQueen -- I  
3 mean, Ackerman would send monthly invoices to the NRA for out-  
4 of-pocket expenses. Is that correct?"

5 "MS. EISENBERG via Zoom: Objection."

6 MR. GARMAN: Withdrawn.

7 "A I decline to answer based on the privilege provided to me  
8 by the Fifth Amendment of the United States Constitution."

9 "Q Do you know whether you would -- your -- do you know  
10 whether the invoices for out-of-pocket expenses would be  
11 received within the office of the treasurer?"

12 "MS. EISENBERG via Zoom: Objection."

13 MR. GARMAN: Withdrawn.

14 "A I decline to answer based on the privilege provided to me  
15 by the Fifth Amendment of the United States Constitution."

16 "Q What expenses were included in the out-of-pocket expenses  
17 that Ackerman billed for?"

18 MR. GARMAN: Your Honor, I do have a foundation  
19 objection to this question. As we've just testified, this  
20 witness would not have known because the invoices don't contain  
21 detailed information.

22 MS. CONNELL: Your Honor, I said what expenses were  
23 included in the out-of-pocket expenses that Ackerman billed  
24 for. Mr. Phillips has alleged, as we just heard Mr. Winkler  
25 say, as we've heard other testimony, as being involved very

1 closely in the relationship with Ackerman. So my question is,  
2 we just saw one of the out-of-pocket expenses invoices as  
3 Mr. Garman referred to that doesn't contain any description, so  
4 I'm asking Mr. Phillips for his understanding as to what  
5 expenses would be encompassed by those out-of-pocket expense  
6 invoices.

7 THE COURT: Overruled.

8 MR. GARMAN: That's foundation (indiscernible).

9 THE COURT: I'll overrule it.

10 "A I decline to -- I decline to answer based on the privilege  
11 provided to me by the Fifth Amendment of the United States  
12 Constitution."

13 "Q Why would Ackerman be sending invoices for payment of out-  
14 of-pocket expenses --"

15 "MS. EISENBERG via Zoom: Objection."

16 "Q -- continued to the NRA."

17 MR. GARMAN: Withdrawn.

18 "A I decline to answer based on the privilege provided to me  
19 by the Fifth Amendment of the United States Constitution."

20 "Q What was the purpose of this arrangement whereby Ackerman  
21 would bill the NRA for out-of-pocket expenses it had paid?"

22 "A I decline to answer based on the privilege provided to me  
23 by the Fifth Amendment of the United States Constitution."

24 "Q Do you know whether Mr. LaPierre was aware of this  
25 arrangement by which Ackerman would bill the NRA for out-of-

1 pocket expenses?"

2 "MS. EISENBERG via Zoom: Objection."

3 MR. GARMAN: Your Honor, this is the type of  
4 speculation objection I'm highly sensitive to.

5 MS. CONNELL: Again, I asked for the witness's  
6 knowledge, Your Honor.

7 THE COURT: Yeah. It's a close one, but the question  
8 really is do you know, so I'm going to overrule the objection.

9 "A I decline to answer based on the privilege provided to me  
10 by the Fifth Amendment of the United States Constitution."

11 "Q While you were treasurer, did the NRA have internal  
12 controls to ensure that the expenses billed by Ackerman were  
13 fair, reasonable, and in the NRA's best interest?"

14 "MS. EISENBERG via Zoom: Objection."

15 MR. GARMAN: Withdrawn.

16 "A I decline to answer based on the privilege provided to me  
17 by the Fifth Amendment of the United States Constitution."

18 "Q Were expenses ever rejected?"

19 "MS. EISENBERG via Zoom: Objection."

20 MR. GARMAN: Your Honor, this is a vague question and  
21 I cannot tell whether it's a rejection by the Ackerman process  
22 or a rejection by the NRA.

23 MS. CONNELL: Your Honor, if you're interested in  
24 hearing from me.

25 We were just discussing the expenses billed by

1 Ackerman and whether they were fair and reasonable and in the  
2 best interest of the NRA and so the follow-up question is, does  
3 he know whether such expenses were ever rejected.

4 THE COURT: Based on that, that you're referring to  
5 the Ackerman expenses, I'll overrule the objection.

6 "A I decline to answer based on the privilege provided to me  
7 by the Fifth Amendment of the U.S. Constitution."

8 MS. CONNELL: We are slowly but surely getting closer  
9 to the end. We're at -- the next designation is Page 182,  
10 Lines 5 through 17.

11 "Q Is it accurate that Mr. LaPierre was unaware of the out-  
12 of-pocket expenses billed by -- billed by Ackerman?"

13 "MS. EISENBERG: Objection."

14 MR. GARMAN: Your Honor, this question is clearly  
15 speculating as to Mr. LaPierre's knowledge.

16 THE COURT: Sustained.

17 MS. CONNELL: So we will take out Lines 5 through 11?

18 THE COURT: Yes.

19 "Q To your knowledge, was Mr. LaPierre aware of this pass-  
20 through arrangement?"

21 MR. GARMAN: I'll withdraw it.

22 "A I decline to answer based on the privilege provided to me  
23 by the Fifth Amendment of the United States Constitution."

24 MS. CONNELL: The next designation is Page 186  
25 beginning at Line 9.

1 "Q Did you ever prepare reports of your review of Ackerman's  
2 support for out-of-pocket expenses invoices?"

3 "MS. EISENBERG via Zoom: --"

4 MR. GARMAN: Withdrawn.

5 "MS. EISENBERG: -- Objection."

6 "A I decline to answer --"

7 MR. GARMAN: I'm sorry, Counsel. I'm sorry.

8 MS. CONNELL: Thank you.

9 "A I decline to answer based on the privilege provided to me  
10 by the Fifth Amendment of the United States Constitution."

11 "Q A significant portion of the expenses being passed through  
12 Ackerman were entertainment and travel related. Is that  
13 correct?"

14 "A I decline to answer based on the privilege provided to me  
15 by the Fifth Amendment of the United States Constitution."

16 "Q How did the NRA assess the propriety of these expenses?"

17 "MS. EISENBERG via Zoom: Objection."

18 MR. GARMAN: Withdrawn.

19 "A I decline to answer based on the privilege provided to me  
20 by the Fifth Amendment of the United States Constitution."

21 "Q Do you know whether there were any audits of Ackerman's  
22 out-of-pocket expenses conducted between 2007 and 2014? I  
23 mean, NRA audits."

24 "MS. EISENBERG: Objection."

25 MR. GARMAN: Your Honor, I do believe this question



1 is vague. I cannot tell from the question whether it means  
2 audits within the NRA or audits of the Ackerman documents.

3 MS. CONNELL: Your Honor, it says whether there were  
4 any audits of Ackerman's out-of-pocket expenses conducted  
5 between 2007 and 2004 [sic]. Whether it was within Ackerman or  
6 within the NRA, I think is almost beside the point. Did anyone  
7 look at these expenses is the question, and I asked whether  
8 it --

9 THE COURT: Overruled.

10 MS. CONNELL: Sorry.

11 Thank you.

12 "A I decline to answer based on the privilege provided to me  
13 by the Fifth Amendment of the United States Constitution."

14 MS. CONNELL: Okay. The next designation is  
15 Page 221, beginning at Line 7.

16 "Q Would you agree with me that Mr. LaPierre was intimately  
17 involved with the work that Ackerman was doing for the NRA?"

18 "A Yes."

19 "Q Was Mr. LaPierre ultimately responsible for the NRA's  
20 relationship with Ackerman?"

21 "MS. EISENBERG via Zoom: Objection."

22 MR. GARMAN: Withdrawn.

23 "A Yes."

24 "Q The conversations that LaPierre would have with Mr. --  
25 with Mr. Angus McQueen, would those conversations typically be

1 verbal conversations?"

2 "MS. EISENBERG via Zoom: Objection."

3 MR. GARMAN: Your Honor, I think there are foundation  
4 and speculation problems with this question.

5 THE COURT: Overruled.

6 "A I would have to say yes, the ones that I know about.

7 There was probably other contacts."

8 "Q During the course of the relationship with Ackerman, did  
9 Mr. LaPierre make an intentional effort not to put things in  
10 writing?"

11 "MS. EISENBERG via Zoom: Objection."

12 MR. GARMAN: Your Honor, this is speculating as to  
13 the type of efforts that Mr. LaPierre made.

14 THE COURT: I sustain the objection.

15 MS. CONNELL: So Your Honor, Lines 21 through  
16 Page 222, Line 1, comes out?

17 THE COURT: Yes.

18 MS. CONNELL: Okay.

19 "Q Did Mr. LaPierre often provide instructions to Ackerman  
20 through Angus by telephone?"

21 "MS. EISENBERG via Zoom: Objection."

22 MR. GARMAN: We'll withdraw it.

23 "A It would be an assumption on my part, yes, because they  
24 work together."

25 MS. CONNELL: Okay. Your Honor, the next

1 designation, second to last, is Page 228, beginning at Line 6.

2 "Q During your tenure at the NRA, are you aware of  
3 Mr. LaPierre rejecting any of Ackerman's invoices to the NRA?"

4 "A I need to hear that question again."

5 "Q Sure. During your tenure at the NRA, are you aware of  
6 Mr. LaPierre rejecting any of Ackerman's invoices that were  
7 issued to the NRA?"

8 "A I don't recall a specific time, but I know there were some  
9 things that we said we're not going to pay. I don't have any  
10 specific example on that."

11 MS. CONNELL: I'm sorry, Your Honor. I see the  
12 highlighting doesn't match the designation on the chart. It  
13 should go to -- further down. I think it should go to Line 20.

14 "Q While you were at the NRA, did the NRA conduct audits of  
15 Ackerman's books and records?"

16 "MS. EISENBERG via Zoom: Objection."

17 MR. GARMAN: Counsel, based upon your representation  
18 that the designation included the answer contained at 18  
19 through 20, I will withdraw the objection.

20 MS. CONNELL: Thank you.

21 "A I decline to answer based on the privilege provided to me  
22 by the Fifth Amendment."

23 MS. CONNELL: Okay. And the final designation is at  
24 Page 237.

25 "Q Do you recall hearing from anyone else that Mr. LaPierre

1 had stated that Mr. Brewer was the only one that would be able  
2 to keep him out of jail?"

3 "MS. EISENBERG via Zoom: Objection."

4 MR. GARMAN: Your Honor, the question is asking for a  
5 hearsay answer.

6 MS. CONNELL: Your Honor, I think it's asking whether  
7 he had ever heard such statements, not whether such statements  
8 are true, but it was something that he might have heard and it  
9 goes to his state of mind.

10 THE COURT: I sustain the objection.

11 MS. CONNELL: Okay. So that section is out.

12 That's it for our designations, Your Honor.

13 THE COURT: All right.

14 It's 6:05 and we've had a nice full day. I suggest  
15 that we stop for today.

16 Upcoming would be designations by NRA and then the  
17 17-minute video. And I think we still have the travel agent  
18 issue. Is that right?

19 MS. CONNELL: That's right, Your Honor. You did  
20 observe video of her. I think we called it the highlight reel.  
21 And we had showed it with reservation of the right to introduce  
22 other segments of her testimony.

23 The other segments, as I indicated, are narrow. I  
24 circulated them to counsel and they only relate to foundation  
25 of the exhibits which we seek admission and which are the

1 subject of the pending motion.

2 THE COURT: All right.

3 That deadline for filing a responsive motion is noon  
4 on Monday. That will give us a little bit of time to look at  
5 it over the noon hour before our 1:30 docket and the hearing  
6 will be set at 4:00, probably will occur 4:00-ish.

7 Let's just have a heart-to-heart now on where we are  
8 because, you know, we are beyond where everybody thought we'd  
9 be today. So if you're allowed to submit parts of the travel  
10 agent's deposition, my understanding is that's the last part of  
11 the movants', who are moving for a dismissal and the  
12 appointment of trustee, case. Is that right?

13 MS. CONNELL: I can only speak for the NYAG, sir, and  
14 yes, that's correct pending the resolution of the motion which  
15 they'd rule on admission of certain exhibits.

16 THE COURT: Okay.

17 MR. MASON: Your Honor, with respect to Ackerman,  
18 there is a little bit of deposition designations that we're  
19 likely going to want to read into the record. What I would  
20 like to do is get with Mr. Garman and his team this weekend to  
21 do everything and anything we can to streamline that. And my  
22 hope is that it won't take more than -- hopefully, not more  
23 than 45 minutes, one hour of time on Tuesday.

24 But other than that, subject to any rebuttal evidence  
25 that we may need on the back end, I anticipate we will be done.

1 THE COURT: All right.

2 And then, Mr. Garman, I'm sure you're going to want  
3 to tell me something, but hold off on telling me anything until  
4 I finish my polling, all right.

5 Journey, I know you have a few witnesses. What's  
6 your anticipated time, including cross, for those witnesses?

7 MR. TAYLOR: Your Honor, we think we can get them all  
8 up and down, including cross, this is just actual court time,  
9 in about three and a half hours. We respectfully request  
10 that -- they are not professionals and legal professionals that  
11 can kind of sit around and wait. We would respectfully request  
12 to be able to take them out of order on Tuesday morning.

13 It at least appears to me that the New York AG and  
14 Ackerman has almost a full day left, particularly when you  
15 consider some arguments on some motions. And then we still  
16 have two other motions next week, which that makes me quite  
17 concerned that Mr. Garman's not going to be able to get done,  
18 we're not going to be able to close by Friday, but I'm sure  
19 you're already thinking about the same thing.

20 THE COURT: Yeah. I already know of one motion  
21 that's out and that's the one that's set up for Monday. Are  
22 you thinking of another motion?

23 MR. TAYLOR: There's another motion set for Wednesday  
24 of next week, the motion to appoint a member committee.

25 THE COURT: Not on our trial.

1 MR. PRONSKE: On the CRO, Your Honor.

2 THE COURT: On the omnibus.

3 MR. PRONSKE: He's the CRO, Your Honor.

4 THE COURT: Yeah. The CRO --

5 MS. CONNELL: Your Honor, I --

6 THE COURT: The CRO --

7 MS. CONNELL: I'm sorry. I just want to --

8 THE COURT: Could you hold just a second?

9 The CRO as I understand it, Mr. Garman, at least as I  
10 was thinking, I put it on your docket, your side, thinking as  
11 part of your case-in-chief that you're going to put that on.  
12 Did you understand that? Or was I vague about it, or?

13 MR. GARMAN: No, sir. I do understand it will be  
14 part of our case-in-chief. Mr. Robichaux, who's maybe six or  
15 eight feet from me, would really like to be employed I suspect.

16 THE COURT: Yeah. And I didn't think necessarily it  
17 would come up on Wednesday, but whenever you start your case-  
18 in-chief, my anticipation based on the conversation that I've  
19 heard snippets of so far is that that's part of what y'all are  
20 offering is a solution to the motions and so that's why I put  
21 it there.

22 We do have non-trial time on Wednesday afternoon.  
23 I'm not sure that's going to take a long time, but just be  
24 aware of that, that we'll have to come off the trial and handle  
25 a few things that are in the main case. But we'll just take

1 that as we come.

2 I think I'm going to be sort of firm that the movants  
3 are -- they're going to be done one way or the other on  
4 Tuesday, all right. So everybody know that. It's really time  
5 to switch over to the NRA's case-in-chief. That will be our  
6 seventh day of hearing.

7 So that then means, Mr. Taylor, your witnesses need  
8 to be ready to go. I'm fine taking them out of order so we can  
9 take them up because we're talking about depositions for the  
10 other two movants.

11 And then Mr. Garman, I think you asked last time,  
12 should you bring your first out-of-town witness on Tuesday. It  
13 sounds to me like you shouldn't bring him or her until  
14 Wednesday noon. All right.

15 As far as times, I think Mr. Pronske was asking --  
16 still willing to do the eight o'clock times except Wednesday is  
17 a teaching day, so we'll be doing it at 10:30, but we'll  
18 continue along.

19 Do y'all have anything of me?

20 MR. GARMAN: Your Honor, I hate to open my mouth.  
21 Last time I did this, I did convince you to rule against me.  
22 But I don't want you to be surprised. I am going to be  
23 objecting to additional new designated testimony that wasn't  
24 contained in the designation that was filed before the  
25 beginning of trial. And I'm not asking for a ruling now, but



1 it seems unlikely that we would come to agreement on that and  
2 you'll likely see it.

3 THE COURT: Okay. Well, I think that's probably  
4 going to be part of the motion on Monday, then, Ms. Connell, so  
5 I do understand it's probably the travel agent's testimony. So  
6 would you be ready then?

7 MS. CONNELL: No, Your Honor. All of the travel  
8 agent's testimony was previously designated. There is no new  
9 designation.

10 THE COURT: All right.

11 MS. CONNELL: I absolutely would not do that. The  
12 Court directed us to have our designations in two weeks ago and  
13 that's what we did.

14 THE COURT: All right. Well, we'll take up the use  
15 of her deposition on Monday when we get to it.

16 Let's see.

17 MS. CONNELL: Your Honor, just one thing. I want to  
18 say that segment of her deposition should be really quite  
19 short. It's a matter of, I think, 10 or 15 minutes.

20 THE COURT: Okay.

21 MS. CONNELL: Just so the Court knows for planning  
22 purposes.

23 THE COURT: All right. I'm making a note to myself  
24 on something so if y'all could bear with me.

25 Today went long. I actually appreciate everybody's

1 efforts in trying to get us to a conclusion today. I notice  
2 that we didn't do it, but we did have to examine -- you had to  
3 examine several witnesses, so no complaints by me today.

4 Anything further?

5 (No audible response)

6 THE COURT: All right. We'll be in recess for the  
7 trial until nine o'clock Tuesday. Mr. Taylor you be ready to  
8 go with your witnesses and we have a hearing set at four  
9 o'clock on Monday on the motion filed by the Attorney General.

10 This is ironic or silly for me to say, but have a  
11 nice weekend.

12 MS. CONNELL: Thank you, Your Honor.

13 THE COURT: We'll be in recess.

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C E R T I F I C A T I O N

We, DIPTI PATEL, BETH REID-GRIGSBY, LORI KNOLLMAYER,  
and KAREN K. WATSON, court approved transcribers, certify that  
the foregoing is a correct transcript from the official  
electronic sound recording of the proceedings in the  
above-entitled matter, and to the best of my ability.

/s/ Dipti Patel

DIPTI PATEL

/s/ Beth Reid-Grigsby

BETH REID-GRIGSBY

/s/ Lori Knollmeyer

LORI KNOLLMAYER

/s/ Karen K. Watson

KAREN K. WATSON

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